

**SECRET**

*Reed*  
**LEGISLATIVE HISTORY**

of the

**CENTRAL INTELLIGENCE AGENCY**

**NATIONAL SECURITY ACT OF 1947**

Prepared by

**OFFICE OF LEGISLATIVE COUNSEL**

25 July 1967

**SECRET**

MORI/CDF

**SECRET**TABLE OF CONTENTS

FOREWORD.....	1
CHAPTER I: EXECUTIVE DEVELOPMENT.....	5
Initiative.....	5
Coordinator of Information.....	6
Office of Strategic Services.....	7
OSS Authorities.....	8
Central Intelligence Group.....	11
Background "Principles".....	12
"Plan".....	13
Joint Chiefs' Consideration.....	14
Secretaries of State, War, and Navy Consideration.....	16
Secretary of Navy.....	16
Secretary of War.....	17
Secretary of State.....	17
Recommendations to the President.....	18
Presidential Directive.....	19
Achievement through Executive Action.....	22
CHAPTER II: LEGISLATIVE PROPOSALS - EXECUTIVE BRANCH....	23
CIG Consideration.....	23
Presidential Recommendation to Congress.....	30
CHAPTER III: CONGRESSIONAL CONSIDERATION OF THE NATIONAL SECURITY ACT OF 1947.....	33
Background.....	33
Legislative Processing.....	36
Legislative Record on CIA.....	37
CHAPTER IV: NEED FOR CENTRAL INTELLIGENCE.....	40
Senate Armed Services Committee.....	41
House Committee.....	45
Committee Reports.....	46
Floor Discussion.....	47
CHAPTER V: POSITION WITHIN EXECUTIVE BRANCH.....	52
NSC Relationship.....	53
Relationship with Intelligence Community.....	58
DCI Relationship with NSC.....	63
Summary.....	65

**SECRET**

~~SECRET~~

<b>CHAPTER VI: FUNCTIONS.....</b>	<b>67</b>
Senate .....	68
House Committee.....	69
Summary .....	73
<b>CHAPTER VII: COLLECTION.....</b>	<b>75</b>
Background .....	75
House Committee.....	75
Summary .....	81
<b>CHAPTER VIII: CIVILIAN STATUS OF DCI.....</b>	<b>82</b>
Background.....	82
Senate.....	84
House Committee.....	85
House Floor.....	91
Conference Committee.....	99
Summary .....	101
<b>CHAPTER IX: INTERNAL SECURITY.....</b>	<b>103</b>
House Committee Executive Session .....	104
House Published Hearings.....	113
House Floor.....	115
The Federal Bureau of Investigation.....	116
Conferees.....	122
Summary.....	123
<b>CHAPTER X: NATIONAL SECURITY ACT of 1947.....</b>	<b>124</b>

~~SECRET~~

~~SECRET~~

## INTRODUCTION

This legislative history of the Central Intelligence Agency has been compiled in the interest of providing a better understanding of the structure and functions of the Central Intelligence Agency.<sup>1</sup>

As a function of Government, foreign intelligence lies within the province of both the Legislative and Executive Branches. Not only does Congress possess the power of the purse but it has the power and responsibility to provide "...for the common Defense and general Welfare of the United States..."<sup>2</sup> Roots of relationship are even found in the power to declare war since "...the surest means of avoiding war is to be prepared for it in peace..."<sup>3</sup>

Equally clear is the responsibility of the Chief Executive to take executive action, not barred by the Constitution or other valid law of the land, which he deems necessary for the protection of the nation's security.

ILLEGIB

As a matter of fact, the Central Intelligence Agency is a product of both Executive and Legislative action. This partnership of action is seen in the major evolutionary stages that occurred during the period 1941 through 1949:

~~SECRET~~

SECRET

2

Executive Action

11 June 1941

Forerunner of national intelligence service established by Presidential Order (6 Fed. Reg. 3422). (Key Elements: Office of Coordinator of Information; Government-wide collection of information bearing on national security; direct reporting to the President; inter-departmental committee system.)

23 July 1941

Coordinator of Information authorized to expend funds for certain limited purposes by Presidential letter.

13 June 1942

Office of Coordinator of Information redesignated as Office of Strategic Services and its functions (exclusive of certain foreign information activities transferred to Office of War Information) transferred to Office of Strategic Services  
16 Fed. Reg. 3422. (Key Elements: Joint Chiefs of Staff jurisdiction; Director of Strategic Services appointed by the President.)

1 September 1942

Certain contracting latitude "... without regard to provisions of law..." granted to Director, Office of Strategic Services (Executive Order 9241). 7 Fed. Reg. 7185

SECRET

SECRET

3

22 January 1946

First Government-wide foreign intelligence service established by Presidential directive.<sup>11 Feb. Reg. 1337</sup> (Key Elements: National Intelligence Authority at Secretary-of-Department level; participation by personal representative of the President; the office of the Director of Central Intelligence (appointed by the President) Central Intelligence Group; within limits of appropriations available to Secretaries of State, War, Navy; precursor of Central Intelligence responsibilities and authorities later enacted into law.)

Legislative Action

28 June 1944

First independent appropriations for Office of Strategic Services (National War Agency Appropriations Act of 1945). (Key Elements: Appropriations in Title I covering the Executive office of the President; expenditures "for objects of a confidential nature;" certain accounting by certificate of Director of Strategic Services.)

26 July 1947

Statutory basis for centralized foreign intelligence service prescribed by the National Security Act of 1947. (Key Elements: National Security Council, Office of the Director of Central Intelligence; the Central Intelligence Agency; foreign intelligence service on a Government-wide basis.

SECRET

SECRET

4

20 June 1949

Statutory basis for the administration of the CIA prescribed by the Central Intelligence Agency Act of 1949. (Key Elements: Enabling authorities for the administration of the CIA on an independent basis.)

Executive correspondence and orders and Congressional material, including hearings and reports and Congressional Record reporting of floor discussions on bills specifically relating to CIA are the primary sources of material used for this paper. Secondary source material and other comment are used for continuity and completeness.

In connection with past and on-going efforts to commit the Agency's history to writing, this paper provides a chronology and <sup>Anthology</sup> bibliography of legislative actions affecting the Agency, and collects the issues concerning central intelligence which were put before Congress for resolution; the alternatives considered by Congress in resolving them; and the reasons or rationale for the choices or compromises Congress ultimately approved.

ILLEGIB

It is recommended that the existing CIA publication on statutes specifically relating to CIA (in text and explanation form) be reviewed in connection with this work.

SECRET

**SECRET**

5

CHAPTER I. EXECUTIVE DEVELOPMENT

Interest in the structure of the nation's foreign intelligence effort was of primary interest to the Executive Branch during the 1941 to 1946 period. In response to the pre-war, war, and post-war events spanning this period, the Roosevelt and Truman Administrations saw the establishment of the Coordinator of Information, the Strategic Services, and finally the Central Intelligence Group. Each served as a building block for its successor organization.

Initiative

The deteriorating international situation in the late 1930's surfaced a number of problems outside of the responsibilities of any one department. Yet, it was becoming increasingly urgent that the President receive coordinated information.

The Reorganization Act of 1939 provided a basis for handling both of these problems.<sup>4</sup> Under it, the Executive Office of the President was established.<sup>5</sup>

The Executive Office, as a central staff, was organized into six principal divisions. One was reserved for emergency management "...in the event of a national emergency or threat of a national emergency."<sup>6</sup> This was in September of 1939. Eight months later and under a "threatened national emergency," the Office of Emergency Management (OEM) was established.

OEM was concerned with clearing information and securing maximum "utilization and coordination of agencies and facilities..."<sup>7</sup>

**SECRET**

**SECRET**

6

In keeping with its duties to "... advise and assist the President in the discharge of extraordinary responsibilities imposed upon him by an emergency arising out of war, the threat of war, (or) imminence of war...",<sup>8</sup> the functions of OEM were further refined in January of 1941. Clearly, the events which foretold the advent of the Second World War were also propelling the organization of foreign intelligence on a Government-wide basis.

Coordinator of Information

The responsibilities of a Government-wide informational channel to the President became more explicit on 11 July 1941 when the Office of Coordinator of Information (COI) was added to the Executive Office. Colonel William J. Donovan was named to the position. The functions prescribed for the COI and those eventually enacted as duties of the Central Intelligence Agency were quite similar:

"Collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and agencies as the President may determine and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government."<sup>9</sup>

Authority to fulfill this commission included the right of access to information and data within various departments and agencies as long as the duties and responsibilities of the President's regular military and naval advisers were not impaired.<sup>10</sup> The COI was also empowered to obtain assistance through the appointment of various

**SECRET**

**SECRET**

7

departmental committees. While no compensation attached to the office, transportation, subsistence, and other incidental expenses were authorized.<sup>11</sup> Operating expenses were funded out of the President's Emergency Fund. Under this simple but broad mandate, Colonel Donovan began building a foreign intelligence service.

Office of Strategic Services

Following the Declarations of War against the AXIS powers, Congress enacted the First War Powers Act, 1941, (P. L. 77-354) and conferred upon the President the authority "... urgently needed in order to put the Government of the United States on an immediate war footing."<sup>12</sup> Title I of the Act authorized redistribution of the functions of the various agencies to facilitate the prosecution of the war effort.

With the nation on a "war footing," it was clearly desirable to provide a closer link between the tested and developing capabilities of COI and the Armed Forces. On 13 June 1942 the President, as Commander in Chief, issued a military order re-designating the COI as the Office of Strategic Services (OSS) under the jurisdiction of the Joint Chiefs.<sup>13</sup> (Foreign information activities of COI were transferred to the newly created Office of War Information.<sup>14</sup>) The charge for OSS was to:

- "a. Collect and analyze such strategic information as may be required by the United States Joint Chiefs of Staff."
- "b. Plan and operate such special services as may be directed by the United States Joint Chiefs of Staff."

The President appointed Colonel Donovan as Director of Strategic

**SECRET**

**SECRET**

Services "...under the direction and supervision of the United States Joint Chiefs of Staff."

OSS Authorities

OSS was forced to adjust to a number of problems which had not faced COI. COI had received secure support in the form of funding, contracting and other services from the Executive Office. This arrangement could not be continued indefinitely. Consequently, OSS needed and was granted certain specific authority.

The President extended to OSS the same privilege to enter into contracts "...without regard to the provisions of law relating to the marking, performance, amendment, or modification of contracts..." as had been earlier granted to the War Department, the Navy Department, and the United States Maritime Commission under the First War Powers Act of 1941.<sup>15</sup>

During the first Fiscal year of operation (1942-43), OSS was supported out of allocations from the President's Emergency Fund. Significantly, and to the extent determined by the President, these Funds could be expended "...without regard to the provisions of law regarding the expenditure of Government funds or the employment of persons in the Government service..." In addition, the President could authorize certain expenditures "...for objects of a confidential nature and in any such case the certificate of the expending agency as to the amount of the expenditure and that it is determined inadvisable to specify the nature

**SECRET**

SECRET

9

thereof shall be deemed a sufficient voucher for the sum therein  
expressed to have been expended.<sup>16</sup>

SECRET

on December 30, 1942; exchange of funds without regard to section 3651. Revised Statutes (31 U.S.C. 543); purchase and free distribution of firearms, guard uniforms, special clothing, and other personal equipment; the use of and payment for compartments or other superior accommodations considered necessary by the Director of Strategic Services or his designated representatives for security reasons or the protection of highly technical and valuable equipment; \$35, 000, 000 of which amount such sums as may be authorized by the Director of the Bureau of the Budget may be transferred to other departments or agencies of the Government, either as advance payment or reimbursement of appropriation, for the performance of any of the functions or activities for which this appropriation is made: Provided, That \$23, 000, 000 of this appropriation may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds or the employment of persons in the Government service, and \$21, 000, 000 of such \$23, 000, 000 may be expended for objects of a confidential nature, such expenditures to be accounted for solely on the certificate of the Director of the Office of Strategic Services and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

SECRET

11

From its inception, OSS operated under two unusual rules relating to the expenditure of Government monies. One permitted latitude concerning the purpose for which funds could be expended. The other protected against the unauthorized disclosure of the purpose and details of certain expenditures. The Director of OSS enjoyed the confidence of Congress in the exercise of this broad grant of authority and this confidence in him was sustained in subsequent appropriation acts.

18

Central Intelligence Group

While the Office of the Coordinator of Information and the Office of Strategic Services were forerunners of a Government-wide foreign intelligence service, the Presidential Directive of 22 January 1946 was the capstone of Executive action. It established the National Intelligence Authority, the Central Intelligence Group, and the position of the Director of Central Intelligence.

Nearly two years of study and discussion preceded the issuance of the Directive. While a number of different approaches were advocated, the need for a fully coordinated intelligence system was never questioned.

The influence of the Presidential Directive of 22 January 1946 on what was eventually enacted in the foreign intelligence section of the National Security Act of 1947 cannot be overemphasized.

SECRET

SECRET

12

Background "Principles"

In October of 1944 Donovan, by now a General, presented President Roosevelt with a document entitled "The Basis for a Permanent United States Foreign Intelligence Service." The need, as seen by General Donovan, was an organization "which will procure intelligence both by overt and covert methods and will at the same time provide intelligence guidance, determine national intelligence objectives, and correlate the intelligence material collected by all Government agencies."<sup>19</sup> General Donovan formulated ten governing principles in this presentation:

"That there should be a central, overall Foreign Intelligence Service which (except for specialized intelligence pertinent to the operations of the armed services and certain other Government agencies) could serve objectively and impartially the needs of the diplomatic, military, economic, and propaganda service of the Government.

"That such a Service should not operate clandestine intelligence within the United States.

"That it should have no policy function and should not be identified with any law-enforcing agency either at home or abroad.

"That the operations of such a Service should be primarily the collection, analysis, and dissemination of intelligence on the policy or strategy level.

"That such a Service should be under a highly qualified Director, appointed by the President, and be administered under Presidential direction.

"That, subject to the approval of the President, the policy of such a Service should be determined by the

SECRET

**SECRET**

13

Director, with the advice and assistance of a board on which the Department of State and the Armed Services should be represented.

"That such a Service, charged with collecting intelligence affecting national interests and defense, should have its own means of communication and should be responsible for all secret activities, such as:

- (a) Secret intelligence
- (b) Counter-espionage
- (c) Crypto-analysis
- (d) Clandestine subversive operations

"That such a Service be operated on both vouchered and unvouchered funds.

"That such a Service have a staff of specialists, professionally trained in analysis of intelligence and possessing a high degree of linguistic, regional, or functional competence to evaluate incoming intelligence, to make special reports, and to provide guidance for the collecting branches of the Agency.

"It is not necessary to create a new agency. The nucleus of such an organization already exists in the Office of Strategic Services."

The document was returned to General Donovan on 31 October 1944 with a comment that an adviser had informed the President that a better and cheaper intelligence system was possible. However, there was also an accompanying request that General Donovan continue his work on a post-war intelligence organization.

"Plan"

In keeping with the President's request, General Donovan submitted a more detailed plan to the President. In transmittal, Donovan recommended that "...intelligence control be returned to

**SECRET**

~~SECRET~~

14

the supervision of the President (with a) central authority reporting directly to you (the President), with responsibility to frame intelligence objectives and to collect and coordinate the intelligence material required by the Executive Branch in planning and carrying out national policy and strategy."<sup>20</sup>

The plan took the form of a draft directive and incorporated the principles General Donovan had earlier prescribed and several additional functions and duties including: "Coordination of the functions of all intelligence agencies of the Government...; collection, either directly or through existing Government departments and agencies, of pertinent information...; procurement, training, and supervision of its intelligence personnel; subversive operations abroad, and determination of policies for and coordination of facilities essential to the collection of information."<sup>21</sup>

Certain administrative authorities were also included in the Donovan Plan, "to employ necessary personnel and make provision for necessary supplies, facilities, and services (and) to provide for the (Agency's) internal organization and management...in such manner as its Director may determine."<sup>22</sup>

#### Joint Chiefs' Consideration

The Donovan plan of 18 November 1944 was distributed to various Cabinet officials and the Joint Chiefs. On 24 January 1945, the Donovan plan and an alternate proposal by the Joint Intelligence

~~SECRET~~

~~SECRET~~

15

Committee were covered in a report of the Joint Strategic Survey Committee to the Joint Chiefs.<sup>23</sup>

Approximately a month after the war had ended, the recommendations in that report were incorporated into a Joint Chiefs of Staff report.<sup>24</sup>

The Joint Chiefs disagreed with Donovan's concept that the centralized service should exist under the direct supervision of the President. They felt that this would "over-centralize the National Intelligence Service and place it at such a level that it would control the operation of departmental intelligence agencies without responsibility, either individually or collectively to the heads of departments concerned."<sup>25</sup>

The structure recommended by the Joint Chiefs included a National Intelligence Authority (NIA) composed of the Secretaries of State, War, and Navy and a representative of the Joint Chiefs of Staff. The Authority was to be responsible for overall intelligence planning and development as well as the inspection and coordination of all Federal intelligence activities. It was to assure the most effective accomplishment of the intelligence mission as it relates to national security. A Central Intelligence Agency with a Director appointed by the President was to be responsible to the NIA and assist in its mission. An Intelligence Advisory Board made up of the heads of the principal military and civilian agencies having functions related to the national security was to advise the Director of Central Intelligence.

~~SECRET~~

**SECRET**

16

With one exception, an independent budget for the National Intelligence Authority, the substance of the Joint Chiefs' report was to be eventually recommended to the President by the Secretaries of State, War, and Navy.

Secretaries of State, War, and Navy Consideration

To General Donovan the task of central intelligence was to assure that "...the formulation of national policy both in its political and military aspects is influenced and determined by knowledge (or ignorance) of the aims, capabilities, intentions, and policies of other nations."<sup>26</sup> Consideration by the customers, the Secretaries of State, War, and Navy, was needed before further progress could be made.

Secretary of Navy

Following the release of the Joint Chiefs' report, Secretary of the Navy, James Forrestal, in a memorandum to the Secretary of War, dated 13 October 1945, commented upon subjects of mutual interest including: "Joint Intelligence. The Joint Chiefs of Staff, as you know, made a recommendation to the President for a national intelligence organization, the general outline of which provides for intelligence supervision by the War, State, and Navy Departments, with a director charged with the working responsibility functioning under these individuals as a group. I think this is a subject which should have our close

**SECRET**

SECRET

17

attention. The Joint Chiefs of Staff paper seems to me soundly conceived and, if you agree, I think we should push it vigorously at the White House."

Secretary of War

Assistant Secretary Robert Lovett was placed in charge of a committee in the War Department to study the matter. After considering the opinions of a number of people experienced in wartime intelligence,<sup>27</sup> the Lovett Committee submitted a report<sup>28</sup> to the Secretary of War for a centralized national intelligence organization similar to that which had been recommended by the Joint Chiefs six weeks previously.

Secretary of State

As a parallel development and in keeping with his preeminence in the field of foreign affairs, the Secretary of State was directed by the President to "take the lead in developing the comprehensive and coordinated foreign intelligence program for all Federal agencies concerned with that type of activity...through the creation of an inter-departmental group, which would formulate plans for (the President's) approval."<sup>29</sup> The Secretary of State submitted his plan to the Secretaries of War and Navy on 10 December 1945.<sup>30</sup>

The State plan provided for a National Intelligence Authority consisting of the Secretary of State (Chairman) and the Secretaries of

SECRET

**SECRET**

18

War and Navy. Heads of other departments and agencies would be subject to call to participate in matters of special interest to them.

While the State plan did not preclude "centralized intelligence operations" its primary emphasis was on interdepartmental committees and organization. It did not envisage an independent agency with a separate budget. This approach was advanced as one which would "... avoid publicity and... reduce competition among the central agency and the intelligence organizations of existing departments and agencies."<sup>31</sup>

The State plan fitted a group, not an agency, concept. Under it, if the Authority determined that a centralized intelligence operation was necessary the Authority would appoint an executive and hold him responsible for the effective conduct of the operation. Operational support would be shared with "... personnel (including the Executive), funds and facilities... provided by the departments and agencies participating in the operation, in amounts and proportions agreed by them and approved by the Authority, based upon the relative responsibilities and capabilities of the participating departments and agencies."<sup>32</sup>

Recommendations to the President

On 7 January 1946 the Secretaries of State, War, and Navy jointly recommended that the President establish a National Intelligence Authority and a Central Intelligence Group.<sup>33</sup> The recommendation was identical to the Joint Strategic Survey Committee report which had

**SECRET**

**SECRET**

19

been submitted almost a year earlier to the Joint Chiefs with one major exception: the Secretaries did not recommend an independent budget. While an independent budget had been basic to the proposals advocated by the Secretary of War and Navy, the apprehensions advanced by the Department of State prevailed and "it seemed to be the consensus... of the three Secretaries that an independent budget should be avoided for security reasons."<sup>34</sup> Funds for the National Intelligence Authority were to be provided by the participating departments in amounts and proportion agreed upon by the members of the Authority. Within the limits of funds made available, the Director of Central Intelligence was to "employ necessary personnel and make provisions for necessary supplies, facilities and services."<sup>35</sup>

#### Presidential Directive

The National Intelligence Authority, the office of the Director of Central Intelligence and the Central Intelligence Group were established by Presidential Directive on 22 January 1946. The Directive was substantially similar to the Secretaries' proposal although it contained no specific reference to the collection of intelligence by the Director. It has been suggested that this function was omitted solely to avoid mention of intelligence collection in a published document.<sup>36</sup>

**SECRET**

20

SECRET

COPY

THE WHITE HOUSE

WASHINGTON

January 22, 1946

To The Secretary of State,  
The Secretary of War, and  
The Secretary of the Navy.

1. It is my desire, and I hereby direct, that all Federal foreign intelligence activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security. I hereby designate you, together with another person to be named by me as my personal representative, as the National Intelligence Authority to accomplish this purpose.

2. Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority. The Director of Central Intelligence shall be designated by me, shall be responsible to the National Intelligence Authority, and shall sit as a non-voting member thereof.

3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

b. Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

SECRET

**SECRET**

21

d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct.

4. No police, law enforcement or internal security functions shall be exercised under his directive.

5. Such intelligence received by the intelligence agencies of your Departments as may be designated by the National Intelligence Authority shall be freely available to the Director of Central Intelligence for correlation, evaluation or dissemination. To the extent approved by the National Intelligence Authority, the operations of said intelligence agencies shall be open to inspection by the Director of Central Intelligence in connection with planning functions.

6. The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

7. The Director of Central Intelligence shall be advised by an Intelligence Advisory Board consisting of the heads (or their representatives) of the principal military and civilian intelligence agencies of the Government having functions related to national security, as determined by the National Intelligence Authority.

8. Within the scope of existing law and Presidential directives, other departments and agencies of the executive branch of the Federal Government shall furnish such intelligence information relating to the national security as is in their possession, and as the Director of Central Intelligence may from time to time request pursuant to regulations of the National Intelligence Authority.

9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives.

10. In the conduct of their activities the National Intelligence Authority and the Director of Central Intelligence shall be responsible for fully protecting intelligence sources and methods.

Sincerely yours,

/s/ Harry Truman

**SECRET**

**SECRET**

Achievement through Executive Action

The 22 January 1946 Directive was a major breakthrough for the concept of a Government-wide foreign intelligence system. Responsibility for national intelligence had been clearly fixed on the office of the Director of Central Intelligence. It provided for direction and control from the President's chief advisers in international and military affairs. It provided a focal point for the correlation of foreign intelligence, its proper coordination and dissemination, and for all other needs affecting national intelligence. Clearly, central intelligence as an entity now existed.

The Directive was a compromise of diverse views which had been articulated for two years within the Executive branch. While the fledgling organization was deprived of certain attributes of independence, i.e. independent budget and authority to hire personnel, its charter was sufficiently flexible to permit it to "feel its evolutionary way and handle obstacles only in such order as it deemed best."<sup>37</sup> The details of the organization were to be worked out in the first instance by the officials responsible for its performance.<sup>38</sup>

**SECRET**

CHAPTER II. LEGISLATIVE PROPOSALS - EXECUTIVE BRANCH

As early as 1944, legislation for a permanent post-war intelligence organization was seen as desirable.<sup>39</sup> In 1946 the Secretaries of State, War, and Navy believed that the preparation of organizational plans to "include drafts of all necessary legislation"<sup>40</sup> should be the first order of business following the establishment of central intelligence by Executive action.

CIG Consideration

Six months following the Presidential directive, Clark M. Clifford, Special Assistant to the President, was reviewing draft enabling legislation for a proposed Central Intelligence Agency (CIA). General Hoyt S. Vandenberg, USAAF, then the Director of Central Intelligence, in transmitting a revision of the draft to Mr. Clifford, wrote that the "current draft has been expanded in the light of the experiences of the last ten months and the administrative facilities available. However, it does not materially change interdepartmental relationships conceived in the original Presidential letter of January 22, 1946."<sup>41</sup>

The CIG's comprehensive legislation proposal contained a statement of policy that "foreign intelligence activities, functions, and services of the Government be fully coordinated, and, when determined in accordance with the provisions of this act, be operated centrally for the accomplishment of the national intelligence mission of the United

SECRET

24

States." The CIG proposal referred to programs for collecting "...foreign intelligence information by any and all means deemed effective," disseminating "...to the President and the appropriate departments and agencies of the Federal Government of the intelligence produced," and for planning and development "...of all foreign intelligence activities of the Federal Government."

Further, the National Intelligence Authority was to be statutorily prescribed and the Director of Central Intelligence was to sit as a non-voting member. The CIA was to provide the Secretariat. This followed the structural relationships established under the 22 January 1946 Directive.

The CIG proposal also sought administrative authority sufficient to the autonomy envisaged. The authority to hire personnel directly and an independent budget had been denied CIG. These were important deficiencies to be overcome.<sup>42</sup> Other key elements were:

- a. appointment of the Director from either civilian or military life at \$15,000 per annum (equivalent to the salary established by the Atomic Energy Act of 1946 for the Commissioners).
- b. a Deputy Director who "shall be authorized to sign such letters, papers, and documents, and to perform such other duties as may be directed by the Director...and to act as Director in the Director's absence..."
- c. authority to employ personnel including retired personnel of the Armed Forces.

SECRET

SECRET

25

d. authority for the DCI "in his absolute discretion to, notwithstanding the provisions of other law, terminate the employment of personnel in the interest of the United State..." (The latter was in keeping with a similar provision in the Department of State- Appropriation Act of 1947, also 50 USC 1156, 1940, Secretaries of War and Navy, P. L. 79-470.)

e. control of information in line with Section 10 of the Atomic Energy Act of 1946. (At the time the Department of Justice was also reviewing a proposal to revise the espionage laws as recommended by the War and Navy Departments and the FBI.)

f. appropriations authority.

The proposed draft was fully representative of a permanent authorization for a Central Intelligence Agency. As events transpired, provisions relating to CIA's functional responsibility as well as its structural relationship within the Executive Branch would be enacted in 1947, while administrative authorities, for the most part, would be enacted in 1949.

Comprehensive enabling legislation for a Central Intelligence Agency was subordinated in early 1947 to the more pressing need of obtaining unification of the military departments. Unification legislation was accorded the highest priority within the Executive Branch.

SECRET

**SECRET**

26

The concept of central intelligence was not overlooked in the unification proposals, however. President Truman's second plan for military unification envisioned a single defense establishment served by a number of coordinating agencies, some for inter-military departmental coordination and others for military-civilian coordination.<sup>43</sup> The existing National Intelligence Authority was seen as the mechanism for linking military and foreign policy and it followed that its subordinate agency, CIG, would serve as mechanism for coordinating civilian-military intelligence.

A team for drafting the National Security Act of 1947 was assembled within the White House. It included Mr. Clark M. Clifford (Special Counsel to the President), Mr. Charles S. Murphy (Administrative Assistant to the President), Vice Admiral Forrest P. Sherman (Deputy Chief for Naval Operations), and Major General Lauris Norstad (Director of Plans and Operations, War Department General Staff). The team's prime objective was unification. While there was support for prescribing the Central Intelligence Agency in the National Security Act, it was felt the administrative authorities for the Agency should be dealt with in separate legislation.

The second White House draft of the proposed National Security Act of 1947, dated 25 January 1947, covered the CIA as follows:

"SEC. 302 (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof, to be appointed from civilian or military life by the President,

**SECRET**

SECRET

27

by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$15,000 per annum.

(b) Subject to existing law, and to the direction and control of the National Security Council, the Central Intelligence Agency shall perform foreign intelligence functions related to the national security.<sup>44</sup>

(c) Effective when the Director first appointed under subsection (a) has taken office -

(1) The functions of the National Intelligence Authority (established by Directive of the President, dated January 22, 1946) are transferred to the National Security Council, and such Authority "shall cease to exist."

(2) The functions of the Director of Central Intelligence, and the functions, personnel, property, and records of the Central Intelligence Group, established under such directive are transferred to the Director of Central Intelligence appointed under this Act and to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available in like manner for expenditure by the Agency."

In a 28 January 1947 memorandum to Mr. Clark M. Clifford, General Vandenberg summarized earlier exchanges of views on language for CIA in the National Security Act as "(a) setting forth a working basis for a Central Intelligence Agency to the merger; and (b) eliminating from the proposed National Security Act any and all controversial material insofar as it referred to central intelligence which might in any way hamper the successful passage of the Act."

While deferring to the higher priority of military unification, General Vandenberg urged the incorporation of three additional provisions in the final draft. First, "...the DCI shall serve as the

SECRET

**SECRET**

adviser to the Council on all matters pertaining to national intelligence and in this capacity, will attend meetings of the Council at its discretion but shall take no part in the decisions thereof." (It is recalled that the 22 January 1946 Directive provided that the Director sit as a non-voting member of the National Intelligence Authority.) Second, rather than merely transferring the functions of the DCI and CIG under the Presidential Directive to the DCI and CIA under the proposed legislation through incorporation by reference, General Vandenburg recommended making at least a specific statement on CIA's functions such as: "...the CIA shall coordinate the Nation's foreign intelligence functions which can be efficiently performed centrally." An earlier draft had included a provision that CIA "...subject to existing law... shall perform foreign intelligence functions related to the national security." However, this provision was dropped because of the confusion surrounding the meaning of the introductory qualification "subject to existing law."

Third, General Vandenburg wanted a Deputy Director of Central Intelligence to be appointed from civilian or military life by the President and with the advice and consent of the Senate "...to provide continuity of action in the absence of the Director or should there be a vacancy in that office. The Deputy Director should be a man of such caliber and stature as adequately to serve as operations deputy to the Director."

**SECRET**

29

**SECRET**

While General Vandenburg's recommendations were not included in the proposed "National Security Act of 1947,"<sup>e</sup> the points were discussed. Excerpts follow from a memorandum<sup>45</sup> covering the discussion at the time:

DCI as Intelligence Adviser

In a CIG conference preceding the first meeting with the White House drafters--

"...the Director also indicated his desire to have included a provision that he would serve as the adviser to the Council on National Defense (later changed to National Security Council) on matters pertaining to intelligence, and that in this capacity he would attend all meetings of the Council. It was agreed that the Director should take no part in the decisions of the Council as this was a policy-making body, and it had long been agreed that central intelligence should not be involved in policy making."

At the White House meeting with the drafters--

"...General Vandenburg<sup>e</sup> stated that he was strongly opposed to the Central Intelligence Agency or its director participating in policy decisions on any matter. However, he felt that he should be present at meetings of the Council. To this General Norstad voiced serious exceptions, as he felt that the Council was already too big. He thought that the Director should not even be present as an observer, as this had proven to be cumbersome and unworkable at meetings of the Joint Chiefs of Staff. Admiral Sherman suggested, however, that the Director should normally be present at meetings of the Council, in its discretion. General Vandenberg concurred in this, as did General Norstad, and it was accepted with the additional proviso that the Joint Chiefs of Staff would also attend meetings at the discretion of the Council."

**SECRET**

SECRET

30

Further--

"...the Army-Navy conferees felt that the position of the Director as the Ingelligence Adviser was inherent in the position itself, and that it would not be proper to provide by law that the head of an agency under the Council should sit on the Council."

Specific Statement of Functions of CIA

"...General Vandenberg indicated the difficulties which he had had in having to go to the N.I.A. on so many problems. He felt that the difficulties of his position would be multiplied, as he would have to ask policy guidance and direction from the Council on National Defense, which consists of many more members than the N.I.A. He was assured that the intent of the act was that the CIA would operate independently and come under the Council only on such specific measures as the Council may, from time to time, desire to direct. It would not be necessary for the Agency to ask continual approval from the Council."

Further--

"...It was the final sense of the meeting that the Director of Central Intelligence should report to the Council on National Defense. As General Vandenberg indicated it would be necessary to report somewhere; that neither the President nor he was anxious to have another agency "free wheeling" around the Government. However, it was thought that the agency should have sufficient power to perform its own functions without it being necessary to have specific approval from the Council on each action."

Presidential Recommendation to Congress

On February 26, 1947, President Truman submitted to the Congress a draft entitled "National Security Act of 1947." Under Title II - coordination for National Security as it pertained to CIA - it read as follows:

"SEC. 202. (a) There is hereby established under the National

SECRET

Security Council a Central Intelligence Agency, with a Director of Central Intelligence, who shall be the head thereof, to be appointed by the President. The Director shall receive compensation at the rate of \$14,000 a year.

(b) Any commissioned officer of the United States Army, the United States Navy, or the United States Air Force may be appointed to the office of Director; and his appointment to, acceptance of, and service in, such office shall in no way affect any status, office, rank, or grade he may occupy or hold in the United States Army, the United States Navy, or the United States Air Force, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer on the active list shall, while serving in the office of Director, receive the military pay and allowances payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$14,000 exceeds the amount of his annual military pay and allowances.

(c) Effective when the Director first appointed under subsection (a) has taken office--

(1) The functions of the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) are transferred to the National Security Council, and such Authority shall cease to exist.

(2) The functions of the Director of Central Intelligence and the functions, personnel, property, and records of the Central Intelligence Group are transferred to the Director of Central Intelligence appointed under this Act and to the Central Intelligence Agency respectively, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available are authorized to be made available in like manner for expenditure by the Agency."

In retrospect, it is recalled that the White House drafting committee's prime concern was the unification aspects of the legislation.

~~SECRET~~

SECRET

32

In this connection, there was a general feeling that any unnecessary  
enlargement of the CIA provision would lead to controversy<sup>47</sup> and  
would affect the legislative processing of the National Security Act  
of 1947. In addition, it was believed that detailed administrative  
provisions for CIA could not be adequately presented as part of the  
National Security Act of 1947, simply because of the lack of time.

As events transpired, however, Congress was to delve into  
the CIA provisions at some length. In fact, during the floor discussion  
of the bill in the House chamber, Mr. Carter Manasco, (D., Alabama),  
a member of the House Committee which marked up the bill, said:  
"This section on central intelligence was given more study by our  
Subcommittee and the Full Committee than any other section of the bill."<sup>48</sup>

SECRET

CHAPTER III. CONGRESSIONAL CONSIDERATION OF THE  
NATIONAL SECURITY ACT OF 1947

Background

On 26 February 1947 the President transmitted a draft bill entitled "National Security Act of 1947" to the President of the Senate pro tempore and the Speaker of the House of Representatives and recommended its enactment by the 80th Congress. Prior to this date consideration had been given in both Houses to the need for a Government-wide foreign intelligence service and the structure it should take.

House: During the 79th Congress, the House Committee on Military Affairs had issued "A report on the System Currently Employed in the Collection, Evaluation, and Dissemination of Intelligence Affecting the War Potential of the United States."<sup>49</sup> The report recognized the need for strong intelligence as the "nation's final line of defense," and made nine very specific recommendations:

Recommendation 1: That the National Intelligence Authority, established on January 22, 1946, by Presidential directive, be authorized by act of Congress.

Recommendation 2: That the National Intelligence Authority shall consist of the Secretaries of State, War, and the Navy, or deputies for intelligence.

Recommendation 3: That the Central Intelligence Group receive its appropriations direct from the Congress.

Recommendation 4: That the Central Intelligence Group has complete control over its own personnel.

SECRET

34

Recommendation 5: That the Director of the Central Intelligence Group be a civilian appointed for a preliminary term of two years and a permanent term of 10 years, at a salary of at least \$12,000 a year.

Recommendation 6: That the Director of the Central Intelligence Group be appointed by the President, by and with the consent of the Senate.

Recommendation 7: That the Director of Central Intelligence shall (1) accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence, and in so doing making full use of the staff and facilities of the intelligence agencies already existing in the various Government departments; (2) plan for the coordination of such of the activities of the intelligence agencies of the various Government departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission; (3) perform, for the benefit of said intelligence agencies, such services of common concern related directly to coordination, correlation, evaluation, and dissemination as the National Intelligence Authority shall determine can be more efficiently accomplished centrally; (4) perform such other similar functions and duties related to intelligence affecting the national security as the Congress and the National Intelligence Authority may from time to time direct. It is specifically understood that the Director of Central Intelligence shall not undertake operations for the collection of intelligence. (Emphasis added)

Recommendation 8: That Paragraphs 2, 4, 5, 6, 7, 8, 9, and 10 of the Presidential directive of January 22, 1946, relating to the establishment of a National Intelligence Authority be enacted into law, with such revisions in wording as may seem necessary.

Recommendation 9: That the Army be requested sympathetically to examine further the question of the establishment of an Intelligence Corps for the training, development, and assignment of especially qualified officers.

SECRET

Senate: In terms of legislative processing during the 79th Congress, the Senate got further than the House. The Senate Committee on Military Affairs reported out a bill proposing a National Security Council outside of the national defense establishment and a Central Intelligence Agency for the purpose of coordinating military and civilian programs, policies, and plans in the foreign intelligence field.<sup>50</sup> This bill was introduced as S. 2044 by Senators Lister Hill (D., Ala.), Elbert D. Thomas (D., Utah), and Warren R. Austin (R., Vt.) on 9 April 1946, pursuant to President Truman's unification message of 19 December 1945.

The need for "national intelligence" was underscored by General George C. Marshall in hearings before the Senate Committee on Military Affairs:

"Intelligence relates to purpose as well as to military capacity to carry out that purpose. The point, I think, is we should know as much as we possibly can of the possible intent and the capability of any other country in the world... Prior to entering the war we had little more than what a military attache could learn at a dinner, more or less, over the coffee cups... Today I think we see clearly we must know what the other fellow is planning to do, in our own defense... The important point is that the necessity applies equally outside of the armed forces. It includes the State Department and other functions of the Government, and it should therefore be correlated on that level."<sup>51</sup>

While S. 2044 was favorably acted upon by the Senate Military Affairs Committee, the Senate Committee on Naval Affairs, which had concurrent jurisdiction, did not report it out.

Thus, the crucible for central intelligence was carried over to the first session of the 80th Congress in the Presidential draft of the National Security Act of 1947. Title I of the draft concerned the "National Defense Establishment." Title II, entitled "Coordination for National Security," provided for the National Security Council and the Central Intelligence Agency.<sup>52</sup>

#### Legislative Processing

Faced with a complicated and vital legislative task related to the nation's future security, Congress deliberated on the National Security Act of 1947 for nearly five months.

Senate: Introduction of a bill incorporating the President's draft was temporarily delayed while the Senate determined which standing committee would have jurisdiction over the bill. The Committee on Expenditures in the Executive Departments (now the Committee on Government Operations) questioned the decision of the President pro tempore, Arthur Vandenburg (R., Mich.) in referring the measure to the Armed Services Committee.<sup>53</sup> The Senate upheld the President pro tempore's ruling on 3 March 1947 and Senator Chan Gurney (R., S.D.), Chairman of the Senate Armed Services Committee, then introduced the measure as S. 758. The Senate Armed Services Committee held hearings for ten weeks, went into executive session on 20 May,<sup>54(1)</sup> and reported out an amended version of S. 758 on 5 June.<sup>54(2)</sup> The bill was considered by the Senate on 7 and 9 July and was approved by voice vote.

**SECRET**

37

House: The measure eventually reported to the House was introduced on 28 February 1947 as H. R. 4214 by Chairman Clare Hoffman (R., Mich.) of the Committee on Expenditures in the Executive Departments (now the Committee on Government Operations). This bill was the subject of hearings which commenced on 2 April 1947 and concluded on 1 July. A favorable report was issued on 16 July.<sup>54(b)</sup> On 19 July H. R. 4214 was considered by the House, amended and passed by a voice vote. Immediately following this action, the House passed S. 758 after substituting the provisions of its own measure.

Conference: S. 758 emerged from Conference Committee on 24 July 1947. The Senate accepted the Conference Report the same day by a voice vote and the House followed suit on the 25th of July.<sup>54(c)</sup>

#### Legislative Record on CIA

The legislative record on CIA in the National Security Act of 1947 consists of testimony before committees, committee reports, floor discussions, amendments proposed and the provisions which were ultimately adopted. Overall, this record identifies the issues raised, the alternatives considered, and the reasons or explanations for the choices or compromises ultimately approved.

Of the many factors having a bearing on the type of legislative record made on CIA, two seem especially deserving of mention. First, security inhibited the full development of the public legislative record

**SECRET**

**SECRET**

on CIA. In opposing an amendment on the floor in the House, Mr. Manasco (D., Ala.) underscored this handicap by revealing that "Many witnesses appeared before our Committee. We were sworn to secrecy, and I hesitate to even discuss this section, because I am afraid that I may say something, because the Congressional Record is a public record, and divulge something here that we received in that committee that would give aid and comfort to any potential enemy we have."<sup>55</sup>

Second, CIA was only one aspect of a complicated and controversial legislative proposal dealing primarily with military unification. The controversy surrounding the "National Military Establishment" also engulfed other provisions of the Act, including CIA. This, however, is not meant to imply the absence of independent reservations concerning the CIA.

Considering all of these factors, a fairly extensive public record was made on the CIA section. Further, the reasons and rationale for CIA related legislative action is, for the most part, readily identifiable in the public record.

The White House drafting team was correct in estimating that the CIA section had the potentiality for being controversial but it was wrong in assuming that extensive deliberation could be avoided by reducing the CIA section down to "minimal provisions." Congressional interest in providing for a CIA was clearly underestimated. Probably

**SECRET**

39

**SECRET**

the most striking aspect of the Congressional interest in CIA was the overwhelming support for institutionalizing the Agency in statute as a positive step towards providing for the nation's future security.

With this introduction the legislative record on the CIA section in the National Security Act of 1947 is developed and organized according to the five dominant legislative themes which evolved:

- (1) Need for a Central Intelligence Agency;
- (2) Position of CIA within the Executive Branch;
- (3) Statutory specification of functions for CIA;
- (4) Civilian status of the Director of Central Intelligence; and
- (5) Relationship to internal security.

**SECRET**

#### CHAPTER IV. NEED FOR CENTRAL INTELLIGENCE

The need for institutionalizing central intelligence was established in certain committee findings during the 79th Congress and was to be stressed again during the 80th Congress.

In anticipation of hearings on S. 758, Senator Thomas<sup>56</sup> made a major address to the Senate on the "President's" bill and emphasized the need for a Central Intelligence Agency:<sup>57</sup>

"Neither the War Department nor the Navy Department had an intelligence service adequate to our needs when the war broke out. The intelligence agencies in each Department operated separately for the most part, except for the exchange of routine military and naval attache reports. There was no real integration of intelligence at the operating level, and no established liaison with the State Department. Though funds were inadequate, there was much duplication of effort by the services.

"The war brought substantial appropriations and drastic reorganization. The Office of Strategic Services was finally set up under the jurisdiction of the Joint Chiefs of Staff, and acted as the central coordinating agency in intelligence matters. Later, the Joint Intelligence Committee and its subcommittees made further provision for the coordination of intelligence activities. In spite of these and other changes, however, much unnecessary duplication existed in the intelligence services of the State, War, and Navy Departments. The significance of the collection, analysis, and evaluation of information concerning foreign countries is no less great now than it was during the war. The effective conduct of both foreign policy and military policy is dependent on the possession of full, accurate, and skillfully analyzed information concerning foreign countries. With our present world-wide sphere of international responsibility and our position among the world powers, we need the most efficient intelligence system that can be devised. Organization, of course, is not the whole story. We do know, however, that there is no returning to the prewar system, where the War, Navy and State Departments went their respective ways. We have now a central intelligence agency established by executive action. Provision for such an agency should

be made in permanent legislation. It seems entirely logical that such an agency should be placed in the framework of any agency that might be set up to coordinate military and foreign policies."

Senate Armed Services Committee

The theme so strongly stated by Senator Thomas was reiterated and amplified before the Senate Armed Services Committee during the hearing on S. 758: (Excerpts follow)

Vice Admiral Forrest Sherman (member of the White House drafting team and detailed by the Secretary of Navy to work with the Military Affairs Committee on the Common Defense Act of 1946): "I consider the Central Intelligence Agency to be a vital necessity under present world conditions. Its necessity will increase with our greater international responsibilities as the power of sudden attack is amplified by further developments in long range weapons and weapons of mass destruction."<sup>58</sup>

Lt. General Hoyt S. Vandenberg (Director of Central Intelligence):<sup>59</sup> I sincerely urge adoption of the intelligence provisions of this bill. Section 202 will enable us to do our share in maintaining the national security. It will form a firm basis on which we can construct the finest intelligence service in the world.

"In my opinion, a strong intelligence system is equally if not more essential in peace than in war. Upon us has fallen leadership in world affairs. The oceans have shrunk until today both Europe and Asia border the United States almost as do Canada and Mexico. The interests, intentions, and capabilities of the various nations on these land masses must be fully known to our national policy makers. We must have this intelligence if we are to be forewarned against possible acts of aggression, and if we are to be armed against disaster in an era of atomic warfare..."

"I think it can be said without successful challenge that before Pearl Harbor we did not have an intelligence service in this country comparable to that of Great Britain or France or Russia or Germany or Japan. We did not have one because the people of the United States would not accept it. It was felt that there was something un-American about espionage and even about intelligence generally. There was a feeling that

**SECRET**

42

all that was necessary to win a war-if there ever were to be another war-was an ability to shoot straight. One of the great prewar fallacies was the common misconception that, if the Japanese should challenge us in the Pacific, our armed services would be able to handle the problem in a matter of a few months at most.

"All intelligence is not sinister, not is it an invidious type of work. But before the Second World War, our intelligence services had left largely untapped the great open sources of information upon which roughly 80 percent of intelligence should normally be based. I mean such things as books, magazines, technical and scientific surveys, photographs, commercial analyses, newspapers, and radio broadcasts, and general information from people with a knowledge of affairs abroad. What weakened our position further was that those of our intelligence services which did dabble in any of these sources failed to coordinate their results with each other.

"The Joint Congressional Committee to Investigate the Pearl Harbor Attack reached many pertinent conclusions regarding the shortcomings of our intelligence system and made some very sound recommendations for its improvement. We are incorporating many of these into our present thinking...

"The committee showed that some very significant information had not been correctly evaluated. It found that some of the evaluated information was not passed on to the field commanders. But, over and above these failures were others, perhaps more serious, which went to the very structure of our intelligence organizations. I am talking now of the failure to exploit obvious sources; the failure to coordinate the collection and dissemination of intelligence; the failure to centralize intelligence functions of common concern to more than one department of the Government, which could more efficiently be performed centrally.

"In the testimony which has preceded mine in support of this bill- by the Secretaries of War and the Navy, General Eisenhower, Admiral Nimitz, and General Spaatz, among others- there has been shown an awareness of the need for coordination between the State Department and our foreign political policies one hand and our National Defense Establishment and its policies on the other. Similarly with intelligence, there must be coordination and some centralization, so that no future congressional committee can possibly ask the question asked by the Pearl Harbor Committee:

**SECRET**

SECRET

43

'Why, with some of the finest intelligence available in our history- why was it possible for a Pearl Harbor to occur?'

"The committee recommended that intelligence work have centralization of authority and clear-cut allocation of responsibility. It found specific fault with the system of dissemination then in use- or, more accurately, the lack of dissemination of intelligence to those who had vital need of it. It stated that'...the security of the Nation can be insured only through continuity of service and centralization of responsibility in those charged with handling intelligence.'

"It found that there is no substitute for imagination and resourcefulness of the part of intelligence personnel, and that part of the failure in this respect was '...the failure to accord to intelligence work the important and significant role which it deserves.'

"The committee declared that '...efficient intelligence services are just as essential in time of peace as in war.'

"All of these findings and recommendations have my hearty concurrence. In the Central Intelligence Group, and in its successor which this bill creates, must be found the answer to the prevention of another Pearl Harbor.

"As the United States found itself suddenly projected into a global war, immense gaps in our knowledge became readily apparent. The word "intelligence" quickly took a fashionable connotation. Each new wartime agency- as well as many of the older departments- soon blossomed out with intelligence staffs of their own, each producing a mass of largely uncoordinated information. The resultant competition for funds and specialized personnel was a monumental example of waste.

"The War and Navy Departments developed full political and economic intelligence staffs, as did the Research and Analysis Division of the OSS. The Board of Economic Warfare and its successor, the Foreign Economic Administration, also delved deeply into fields of economic intelligence. Not content with staffs in Washington, they established subsidiary staffs in London and then followed these up with other units on the Continent.

"When, during the war, for example, officials requested a report on the steel industry in Japan or the economic conditions in the Netherlands East Indies, they had the reports of the Board of Economic Warfare, G-2, ONI, and the OSS from which to choose. Because these agencies had competed to secure the best personnel, it was necessary for each of them to back up

SECRET

SECRET

44

its experts by asserting that its particular reports were the best available, and that the others might well be disregarded.

"As General Marshall stated in testifying on the unification bill before the Senate Military Affairs Committee last year, '...Prior to entering the war, we had little more than what a military attache could learn at a dinner, more or less over the coffee cups.'

"From this start, we suddenly had intelligence springing up everywhere. But nowhere was its collection, production, or dissemination fully coordinated- not even in the armed forces. General Marshall pointed this out in his testimony when he mentioned '...the difficulty we had in even developing a Joint Intelligence Committee. That would seem to be a very simple thing to do, but it was not at all.'

"There are great masses of information available to us in peace as in war. With our wartime experience behind us, we know now where to look for material, as well as for what to look.

"The transition from war to peace does not change the necessity for coordination of the collection, production, and dissemination of the increasingly vast quantities of foreign-intelligence information that are becoming available. This coordination the Central Intelligence Agency will supply...

"President Roosevelt established the Office of Strategic Services for the purpose of gathering together men of exceptional background and ability who could operate in the field of national, rather than departmental, intelligence. In weighing the merits of the OSS, one should remember that it came late into the field. It was a stopgap. Overnight, it was given a function to perform that the British, for instance, had been developing since the days of Queen Elizabeth. When one considers these facts, the work of the OSS was quite remarkable and its known failures must be weighed against its successes. Moreover, it marked a crucial turning point in the development of United States intelligence. We are now attempting to profit by their experiences and mistakes.

"Having attained its present international position of importance and power in an unstable world, the United States should not, in my opinion, find itself again confronted with the necessity of developing its plans and policies on the basis of intelligence collected, compiled, and interpreted by some foreign government. It is common knowledge that we found ourselves in just that position at the beginning of World War II...

SECRET

"For months we had to rely blindly and trustingly on the superior intelligence system of the British. Our successes prove that this trust was generally well placed. However, in matters so vital to a Nation having the responsibilities of a world power, the United States should never again have to go hat in hand, begging any foreign government for the eyes-the foreign intelligence - with which to see. We should be self-sufficient. The interests of others may not be our interests..."

"The need for our own coordinated intelligence program has been recognized in most quarters. The Pearl Harbor disaster dramatized that need and stopgap measures were adopted. As the war drew to a close, the President directed the Joint Chiefs of Staff to study the problem and draft recommendations for the future.

"By the assignment of primary fields of intelligence responsibilities, we are - in the fields of collection, production, and dissemination - preventing overlapping functions - that is, eliminating duplicate roles and missions, and eliminating duplicate services in carrying out these functions."

House Committee

Testimony before the House Committee on Expenditures in the Executive Departments provided additional insights into the need for structuring foreign intelligence functions on a Government-wide basis.

General Carl Spaatz, Commanding General, Army Air Force:  
"The bill provides the basic elements of security of which we may mention five... Fourth, correct intelligence. The bill provides for enlargement of our capacity to know the capabilities of our possible enemies, how they can attack us, and with what. Each service will retain its own technical intelligence with its own trained attaches abroad. The CIA will coordinate information from all the services, as well as from other branches of the Government."<sup>60</sup>

Fleet Admiral Chester Nimitz: "The bill will establish a Central Intelligence Agency with the responsibility for collection of information from all available sources, evaluation of that information and dissemination thereof. This Agency is intended to secure complete coverage of the wide field of intelligence and should minimize duplication. The bill recognizes that military intelligence is a composit of authenticated

and evaluated information covering not only the armed forces establishment of a possible enemy but also his industrial capacity, racial traits, religious beliefs, and other related aspects."<sup>61</sup>

Secretary James V. Forrestal (Secretary of the Navy;<sup>62</sup> listed the CIA second among the essentials of the bill, after the National Security Council): "The need for that (CIA) should be obvious to all of us."<sup>63</sup>

Rep. W. J. Dorn (D., S.C.): "With regard to the Central Intelligence Agency - I may be wrong, but I have always felt that if Admiral Kimmel had had proper intelligence from Washington the attack on Pearl Harbor would not have occurred, or at least we would have been able to meet it better. From your experience, do you think that this Central Intelligence Agency alone would warrant passage of this bill?"

Vice Admiral Arthur Radford: "Of course, I think it is most important. Actually it is in existence now. It is already functioning."<sup>64</sup>

#### Committee Reports

The Senate Committee report on S. 758 concluded: "To meet the future with confidence, we must make certain...that a Central Intelligence Agency collects and analyzes that mass of information without which the Government cannot either maintain peace or wage war successfully."<sup>65</sup>

The House Committee report on H. R. 4214 was equally clear and succinct in its conclusion: "The testimony received by your committee discloses an urgent need for a continuous program of close coordination between our domestic, foreign and military policies so that we may always be able to appraise our commitments as a Nation in the light of our resources and capabilities. This, your committee

SECRET

47

feels, can be accomplished by the Central Intelligence Agency...

In order that the Council (National Security Council), in its deliberations and advice to the President, may have available adequate information, there is provided a permanent organization under the Council,  
<sup>66</sup>  
which will furnish that information."

Floor Discussion

Senate: The Senate Armed Service Committee findings and report were re-echoed in floor statements during the Senate's discussion of S. 758:

Senator Chan Gurney (R., S. D.) (Chairman of the Armed Services Committee): "As an important adjunct to the National Security Council there is a provision for a Central Intelligence Agency, which fills a long recognized demand for accurate information upon which important decisions, relating to foreign military policy can be based."<sup>67</sup>

Senator Raymond Baldwin (R., Conn.): Under the Council there is established a central intelligence agency to provide coordinated, adequate intelligence for all Government agencies concerned with national security. When one reads the record of the past war in regard to that field it is found that there was much to be desired in the way intelligence was covered, and there was great conflict about it. I say nothing here in depreciation of the men who were engaged in the intelligence service, because some remarkable and extremely courageous things were done. Nevertheless, we demonstrated from our experience the need of a central intelligence agency..."<sup>68</sup>

Senator Lister Hill (D., Ala.): "It would (S. 758) provide security measures at all times, rather than only when hostilities threaten. It creates...a central intelligence agency which is so essential for the Government to maintain peace and without which the Government cannot wage war successfully."<sup>69</sup>

SECRET

House. The need for centralizing national intelligence drew wide support from many members of the House during the floor discussion of H.R. 4214:

Rep. James Wadsworth (R., N.Y.): "This (H.R. 4214 and the instrumentalities it establishes) links the military policy with foreign policy, all measured by our resources and the potentialities of other people."<sup>70</sup>

Rep. Fred Busbey (R., Ill.) (although troubled with certain features of the CIA section): "I am not opposed to a central intelligence agency. ... You remember Pearl Harbor. They had intelligence, but it was not correlated and evaluated correctly."<sup>71</sup>

Rep. Walter Andrews (R., N.Y.): "On the next level above the National Military Establishment there is provided the National Security Council with the President as chairman, which will effectively coordinate our domestic and foreign policies in the light of sound information furnished by the Central Intelligence Agency."<sup>72</sup>

Rep. Robert Sikes (D., Fla.): "During the intervening years between wars we have never had a proper balance between our foreign and military policies... We have never been fully informed of the capabilities, potential or intent of likely enemies... This is another time when we can well say, 'Remember Pearl Harbor.'"<sup>73</sup>

Rep. Dewey Short (R., Mo.): "Mr. Chairman, on every score and by every count we should vote adequate funds for...our Central Intelligence - which has been lamentably weak - .... These (including Central Intelligence) are the things above all others which will guarantee our security."<sup>74</sup>

Rep. W.J. Bryan Dorn (D., S.C.): "Mr. Chairman, one of the most important features of this bill is the Central Intelligence Agency. I would like for you to turn back with me this afternoon to the most terrible period preceding World War II. Why, you had most of the newspapers and people in this country thinking that Adolf Hitler was a comic character, that a war in Europe could not last through the winter - I remember those editorials quite well - that Germany would not last through the winter of 1939. I remember officers of the Navy coming back from observation posts in the Pacific and saying that the Japanese could not

last 3 weeks in a war with America. The Government in Washington was stunned and shocked beyond belief when it suddenly realized that Paris and France would fall.

"An important Member of the other body, who is still serving in that body, said that a few bombs on Tokyo would knock them out of the war. What a woeful lack of intelligence as to the potential power of our enemies. People were saying that Mussolini would not attack; that he was only bluffing. Around the world there was a total lack of knowledge of those forces that were marshalling to destroy American democracy. I tell you gentlemen of the committee that your central intelligence agency is a very important part of this bill."<sup>75</sup>

Rep. Chet Holifield (D., Calif.): "I want to read to you some of the conclusions of the Pearl Harbor Committee, as follows. Their conclusions were: 'That the Hawaiian Command failed to discharge their responsibility in the light of the warnings received from Washington, and other information possessed by them and the principal command by mutual cooperations. (B) They failed to integrate and coordinate their facilities for defense, to alert properly the Army and Navy Establishments in Hawaii, particularly in the line of warning and intelligence available to them during the period November 27 to December 7, 1941. They failed to effect liaison on a basis adequately designed to acquaint each of them with the operations of the other, which was necessary to their joint security, and to exchange fully all significant intelligence, and they also failed to appreciate and evaluate the significance of the intelligence and other information available to them.' "<sup>76</sup>

Rep. Robert A. Harness (R., Ind.): "Now a word about the Central Intelligence Agency. When such an organization was first proposed I confess I had some fear and doubt about it. Along with other members of the Committee, I insisted that the scope and authority of this Agency be carefully defined and limited. Please bear in mind that this is a bold departure from American tradition. This country has never before officially resorted to the collection of secret and strategic information in time of peace as an announced and fixed policy. Now, however, I am convinced that such an Agency as we are now considering is essential to our national security."<sup>77</sup>

**SECRET**

Rep. Wadsworth (R., N. Y.): "...In addition, under the Council there would be another element which is to advise the Council, subject to regulations made by the Council, in the field of Intelligence, in the foreign field; and there is established a central intelligence agency subject to the Council headed by a director. The function of that agency is to constitute itself as a gathering point for information coming from all over the world through all kinds of channels concerning the potential strength of other nations and their political intentions. There is nothing secret about that. Every nation in the world is doing the same thing. But it must be remembered that the Central Intelligence Agency is subject to the Council and does not act independently. It is the agency for the collecting and dissemination of information which will help the President and the Council to adopt wise and effective policies. So with the information of that sort concerning other nations and information coming in with respect to our own resources, both of which are available to the Council and President, we will have for the first time in our history a piece of machinery that should work and it is high time that we have it. We have never had it before. During this last war all sorts of devices were resorted to, obviously in great haste, to accomplish a thing like this. You may remember the huge number of special committees, organizations and agencies set up by Executive Order in an attempt to catch up with the target. We have learned as a result of the war that we should have some permanent organization, and that is the one proposed in this bill."<sup>78</sup>

Rep. Manasco (D., Ala.): "If we had had a strong central intelligence organization, in all probability we would never had had the attack on Pearl Harbor; there might not have been a World War II... I hope the committee will support the provision in the bill, because the future security of our country in a large measure depends upon the intelligence we get. Most of it can be gathered without clandestine intelligence, but some of it must be of necessity clandestine intelligence. The things we say here today, the language we change, might endanger the lives of some American citizens in the future."<sup>79</sup>

Thus, there was a consensus of agreement, almost reaching to unanimous proportions, that the concept of central intelligence should

**SECRET**

SECRET

51

be ratified and embodied into statute. However, beyond this point of almost total accord, differences of opinion would arise as more specific consideration relating to CIA was undertaken.

SECRET

CHAPTER V. POSITION WITHIN EXECUTIVE BRANCH

The position that should be prescribed for the CIA within the Executive Branch was understandably of considerable interest. This was the very narrow of the central intelligence concept and an antecedent to its disposition was an appreciation of the "supra-departmental" nature of the relationships which had been established within the "intelligence community" under the National Intelligence Authority.

It is recalled that the 22 January 1946 Presidential Directive<sup>80</sup> placed the Director of Central Intelligence and the Central Intelligence Group under the control of the President's chief advisors in international and military affairs, the Secretaries of State, War, and Navy, and the personal representative of the President. The DCI was a non-voting member of the NIA.

Following this pattern, the proposed National Security Act of 1947 simply established "...under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof..." and transferred "...the functions of the National Intelligence Authority...to the National Security Council."<sup>81</sup> These functions were to plan, develop, and coordinate all Federal foreign intelligence activities "...to assure the most effective accomplishment of the intelligence mission related to the national security."<sup>82</sup> The functions of the DCI and the CIG under the NIA were transferred also to the DCI and the CIA Act.

**SECRET**

In pursuing the meaning of these relationships three major questions were considered. First, could central intelligence operate effectively by reporting to a group (National Security Council) rather than to an individual? Second, would satisfactory relationships be maintained between CIA and the departments and their intelligence agencies? Third, what relationship should exist between the DCI and the NSC?

NSC Relationship

House. During Committee hearings in the House, Representative Walter Judd (R., Minn.) pursued the respective merits of the CIA reporting to the NSC or to an individual:

Rep. Judd: "I have concern as to whether the intelligence agency provided in the bill is given anywhere near the importance it deserves...it seems to be a joint and hydra-headed agency which will weaken our intelligence rather than strengthen it."

Dr. Vannevar Bush (Director of the Office of Emergency Management, Scientific Research and Development): "...The Central Intelligence Agency provided for (in the bill) links the military establishment and the State Department, and hence cannot logically be placed under the Secretary of National Defense. It is a joint matter. It might be reporting directly to the President..."

Rep. Judd: "I have never seen a hydra-headed organization which functions as well as one headed by a single man. If we were caught flat-footed without proper intelligence at the outbreak of another war, it might be disastrous."<sup>83</sup>

.....

**SECRET**

**SECRET**

Rep. Judd: "Regarding the CIA, do you think that it ought to be under the National Security Council, or directly under the Secretary of National Defense, on a par with the National Security Resources Board, the Joint Research and Development Board, the National Security Resources Board. The CIA is put under the National Security Council so that it has a dozen heads. It seems to me that this is so important that it ought to be on a par with those other agencies."

Vice Admiral Radford: "I feel that the CIA should be under the National Security Council."

Rep. Judd: "You don't think that its reports will make the rounds and never get any action?"

Vice Admiral Radford: "I hardly think so. I think its handling of reports can be controlled by the Director. I am sure it would be."<sup>84</sup>

Senate. In a statement before the Senate Committee, Mr. Allen W. Dulles, who made extraordinary contributions to the success of the OSS and who eventually was to become the first civilian to be appointed Director of Central Intelligence, questioned the desirability of the Director reporting to a large National Security Council:<sup>85</sup>

"...this (National Security) Council will have at least six members, and possibly more, subject to Presidential appointments. From its composition it will be largely military although the Secretary of State will be a member. If precedent is any guide, it seems unlikely, in view of the burden of work upon all the members of this Council, that it will prove to be an effective working body which will meet frequently, or which could give much supervisory attention to a central intelligence agency. It would seem preferable that the Chief of Central Intelligence should report, as at present, to a smaller body, of which the Secretary of State would be the chairman, and which would include the Secretary of National Defense, and a representative of the President, with the right reserved to the Secretaries of State and of National Defense to be represented on this small board by

**SECRET**

SECRET

deputies, who should have at least the rank of Assistant Secretary. And this board must really meet and assume the responsibility for advising and counseling the Director of Intelligence, and assure the proper liaison between the Agency and these two Departments and the Executive."

However, under no circumstances did Mr. Dulles want CIA to be organized under an individual policy maker:<sup>86</sup>

"The State Department, irrespective of the form in which the Central Intelligence Agency is cast, will collect and process its own information as a basis for the day-by-day conduct of its work. The armed services intelligence agencies will do likewise. But for the proper judging of the situation in any foreign country it is important that information should be processed by an agency whose duty it is to weigh facts, and to draw conclusions from those facts, without having either the facts or the conclusions warped by the inevitable and even proper prejudices of the men whose duty it is to determine policy and who, having once determined a policy, are too likely to be blind to any facts which might tend to prove the policy to be faulty. The Central Intelligence Agency should have nothing to do with policy. It should try to get at the hard facts on which others must determine policy. The warnings which might well have pointed to the attack on Pearl Harbor were largely discounted by those who had already concluded that the Japanese must inevitably strike elsewhere. The warnings which reportedly came to Hitler of our invasion of North Africa were laughed aside. Hitler thought he knew we didn't have the ships to do it. It is impossible to provide any system which will be proof against the human frailty of intellectual stubbornness. Every individual suffers from that. All we can do is to see that we have created the best possible mechanism to get the unvarnished facts before the policy makers, and to get it there in time."

Chairman Gurney of the Senate Armed Services Committee became particularly interested in whether the CIA should report to the National Security Council or to an individual, particularly the Secretary of National Defense. In line with this interest he arranged

SECRET

SECRET

for Mr. Charles S. Cheston, a former Assistant Director of the Office of Strategic Services, to meet with Admiral Roscoe Hillenkoetter, who succeeded General Vandenberg as DCI on 1 May 1947.

Mr. Cheston's viewpoint was subsequently made a matter of record in the Senate hearings:<sup>87</sup>

"...It has been amply demonstrated that problems of peace and war in modern times require total intelligence. Each of the principal departments and agencies of Government requires information for the determination of basic questions of policy, the collection and analysis of which are entirely outside the scope of its own operations. It does not solve the problem to create a kind of clearing house for information gathered in the ordinary operations of the several departments. What is needed is an effective, integrated, single agency with clearly defined duties and authority to analyze and correlate information from all sources and, wherever necessary, to supplement existing methods of collection of information. Such an agency must serve all principal departments of the Government and also bring together the full and comprehensive information upon which national policy must be based. It should not supplant existing intelligence units within the several departments. Every effort should be made to improve and strengthen these units wherever possible. The problem is national and not departmental. And it will not be solved by having the policies and operations of such an agency determined by a committee of Cabinet members, whose primary duty is to discharge the full-time responsibilities of their own offices."

Following a meeting with Mr. Cheston in Philadelphia on Memorial Day, Admiral Hillenkoetter wrote a letter to Senator Gurney, from which the following is excerpted:

"The third point (advocated by Mr. Cheston) is that the Director should report to an individual rather than a committee. As I previously stated before the Senate Appropriations Committee, I feel that this is a matter to be determined by the Congress rather than by me. On purely theoretical

SECRET

## SECRET

grounds, it would, of course, be best to report to one individual rather than a group. However, I can work with a Council equally well, and see no great difference in either solution that Congress may determine. There may be some question as to the wisdom of having the Director of Central Intelligence report to the Secretary of National Defense. This, in effect, might be considered as placing the Agency within the military establishment, which would not, in all probability, be satisfactory to the State Department. They have a great interest in the operations of the Agency, and their contributions in the intelligence field are particularly important in time of peace, when the Foreign Service can operate throughout the world.

"As General Donovan stated in his memorandum to you of 7 May 1947, intelligence 'must serve the diplomatic as well as the military and naval arms.' This can be best done outside the military establishment. As General Donovan stated further, '...Since the nature of its work requires it to have status, it should be independent of any Department of the Government (since it is obliged to serve all and must be free of the natural bias on operating Departments).'"

When this matter came to the Senate floor, Senator Robertson of the Senate Armed Services Committee proposed an amendment elevating the Secretary of National Security (Secretary of Defense) to a position "...where he will be over the National Security Council, the Central Intelligence Agency, and the National Security Resources Board, and over the entire military establishment as well."<sup>88</sup> The emphasis behind this amendment, however, was to make the Secretary of Defense the coordinator of national security and immediately under the President. It was only collaterally related to central intelligence. Senator Gurney, in opposing the amendment, said, "We do not believe that the (Secretary of Defense) should in any way control, by means of a superior position, the conclusions which emanate from the Security Council..."<sup>89</sup> The amendment was defeated.

SECRET

Relationship with Intelligence Community

While the CIA was established under the National Security Council as proposed by Administration, Congressional consideration helped to illuminate the supra-departmental nature of the Agency's function as much as it did to ratify earlier Executive Branch action.

The second concern relating to the establishment of the CIA under the National Security Council was whether this arrangement would support satisfactory relationships between the CIA and the departments and their intelligence agencies. This concern was brought out in the following colloquy during the Senate Committee hearings:

90

Senator Tydings (D., Md.): "...when you get down to the Central Intelligence Agency, which certainly is one of the most important of all the functions set forth in the bill, I notice that it reports directly to the President and does not seem to have any line running to the War Department, or the Navy Department, or to the Secretary for Air. And I was wondering if that rather excluded position, you might say, was a wholesome thing. It seems to me that Central Intelligence Agency ought to have more direct contact with the Army and the Navy and the Air Force; and as I see it on the chart here, it is pretty well set aside and goes only to the President. What is the reason for that?"

Admiral Sherman: "Well, sir, this diagram shows the primary control of the Central Intelligence Agency through the National Security Council which, of course, is responsible to the President. But, of course, the Central Intelligence Agency, by its detailed directive, takes information in from the military services and also supplies them with information."

"In other words, it is a staff agency and controlled through the National Security Council, which is supported by the military services, and in turn, supports them."

Senator Tydings: "It seems to me that of course they would diffuse such information as a matter of orderly procedure

**SECRET**

to the Army, Navy, and Air Force, as they collected the information and as they deemed it pertinent. But I would feel a little more secure about it if there were a line running from that agency to the War Department, the Navy Department, and the Air Force, rather than have it go up through the President and back again. Because the President is a rather busy man, and while he has control over it, one of its functions, it seems to me, ought to be to have a closer tie-in with the three services than the chart indicates."

Admiral Sherman: "Well, sir, that is the trouble with the diagram. Actually, the Security Council, placed directly under it, has members of the three departments, the Secretary of National Defense, the Central Intelligence Agency, who collaborates very closely with Military and Naval Intelligence, and there are a good many other cross-relationships."

Senator Tydings: "I realize that, but even so, I think intelligence is about as important a part of running a war as there is, as I know you will agree. And it is rather set off there by itself, and is only under the President; which is all right for general direction purposes, but I do not feel satisfied in having it over there without some lines running to the War Department, the Navy Department, and the Air Force, even though that might follow and they might do it anyhow."

Admiral Sherman: "Well, in a further development of this chart, we might show a line of collaboration and service and so on, extending from the Central Intelligence Agency to the three departments, and to those others."

Senator Tydings: "To the Joint Chiefs of Staff anyway."

Admiral Sherman: "They serve the Joint Chiefs of Staff, as a matter of fact. We have a Central Intelligence (man) in the Policy Council of the Research and Development Board at the present time."

Senator Tydings: "If you ever do another chart, will you do me the favor of connecting that up with those three departments and with the Joint Chiefs of Staff? Because it looks like it is set up in that way to advise the President, more than to advise the services and the Joint Chiefs of Staff; which, of course, is not the intention of it at all, in my opinion."

**SECRET**

**SECRET**

Admiral Sherman: "We tried, in this particular chart, to show only the primary line of control, with the exception of the dotted line from the President to the Joint Chiefs of Staff, which is there for constitutional reasons."

Senator Tydings: "Well, I hope that my comments will cause us to find some way that we can make sure that someone will offer an amendment from the War Department or the Navy Department that the Intelligence Agency is to have direct tie-in with the Joint Chiefs and the Army, Navy, and Air Force. Otherwise, we may have another Pearl Harbor controversy, with the question arising, 'Who got the information?' And the reply, 'It was not transmitted.' That is one thing that should not happen again. And as this is set up, it would lend the layman the opinion that it was more or less detached, rather than an integral part of the three services.

.....

Senator Tydings: "Admiral, that is an awfully short bit of explanation, under the caption "Central Intelligence Agency," the way it is set up here, separately, to be appointed by the President, and superseding the services now run by the Army and the Navy, I respectfully submit to you and to General Norstad that it might be wise to put an amendment in there, in order to make certain that the thing is understood; that this Central Intelligence Agency shall service the three departments and the Joint Chiefs of Staff, and have some tie-in with the three departments, rather than to leave it hanging up there on a limb all off by itself. I do not think that would change anything materially, but it would clarify it, and make it plain that we are setting up something for the purposes for which we conceive it to be set up."

Admiral Sherman: "Well, sir, I would like to make a comment on the language as to the Central Intelligence Agency. At one time in the drafting we considered completely covering the Central Intelligence Agency in the manner that it should be covered by law."

Senator Tydings: "Admiral, my point is simply this: that under the wording as to the Central Intelligence Agency which

**SECRET**

**SECRET**

begins on page 20 and ends at the top of page 22, it deals more or less with consolidation and not with the duties that devolve upon that office. It seems to me there is a void in the bill that ought to be eliminated."

Admiral Sherman: "Well, we considered the matter of trying to cover the Central Intelligence Agency adequately, and we found that that matter, in itself, was going to be a matter of legislation of considerable scope and importance."

Senator Tydings: "A separate bill?"

Admiral Sherman: "A separate bill. And after consultation with General Vandenberg, we felt it was better in this legislation only to show the relationship of the Central Intelligence Agency to the National Security Council, and then leave to separate legislation the task of a full and thorough development of the Central Intelligence Agency."

Senator Tydings: "Well, now, for the record, is it safe for this Committee to assume that during this session it is likely that a bill will come along dealing with the Central Intelligence Agency in the particulars we have under discussion?"

Admiral Sherman: "It is my understanding that that will take place."

The Chairman: "How about that, General Vandenberg?"

General Vandenberg: "The enabling act is prepared, but we do not want to submit that until we have reason for it."

.....

Later, General Vandenberg reviewed for the Senate committee the relationships which had been developed between the Director of Central Intelligence and the intelligence community under the 22 January 1946 Presidential directive:<sup>91</sup>

"In order to perform his prescribed functions, the Director of Central Intelligence must keep in close and intimate contact with the departmental intelligence agencies of

**SECRET**

## SECRET

the Government. To provide formal machinery for this purpose, the President's Directive established an Intelligence Advisory Board to advise the Director. The permanent members of this Board are the Directors of Intelligence of the State, War and Navy Departments and the Air Force. Provision is made, moreover, to invite the heads of other intelligence agencies to sit as members of the Advisory Board on all matters which would affect their agencies. In this manner, the Board serves to furnish the Director with the benefits of the knowledge, advice, experience, viewpoints and over-all requirements of the departments and their intelligence agencies."

The responsibility to support the departments and their intelligence agencies was a function of the DCI under the President's Directive of 22 January 1946 and was carried over into the CIA section of the President's proposal by providing that "the functions of the Director of Central Intelligence and the functions... of the Central Intelligence Group are transferred to the Director of Central Intelligence appointed under this act and to the Central Intelligence Agency respectively. However, in keeping with the House Committee's view<sup>92</sup> "...that it is better legislative practice to spell out such (CIA's) duties in the interest of clarity and simplicity..." the CIA section was amended to specify these supporting functions. This provided the basis for the following colloquy on the House floor:<sup>93</sup>

Rep. Kersten (R., Wis.): "It seems to me from what the gentleman has said that the Central Intelligence Agency is one of the very important parts of this entire set-up. I wish to ask the gentleman if there is a definite coordination provided for between that Agency and, say the Department of State? For I feel that certain information of the Agency would affect the activities of the entire system."

SECRET

**SECRET**

Rep. Wadsworth (R., N. Y.): "The gentleman is correct. May I point out that under the provisions of the bill the Central Intelligence Agency in effect must cooperate with all the agencies of the Government, including the State Department. It is the gathering point of information that may come in from any department of the Government with respect to the foreign field, including the State Department, of course; including the War Department, through G-2; including the Navy Department, through ONI. That information is gathered into the central agency to be evaluated by Central Intelligence and then disseminated to those agencies of Government that may be interested in some portion of it."

#### DCI Relationship with NSC

The third and final consideration relating to structural relationships concerned the position of the Director with respect to the National Security Council. As background it is recalled that prior to submission of the proposal act to the Congress, General Vandenberg strongly opposed participation by either CIA or its Director in policy decisions but felt that there should be a provision providing for the Director's presence at the meeting of the Council. The 22 January 1946 Directive provided that the Director sit on the National Intelligence Authority as a non-voting member. However, the drafting team felt that the position of the Director as the intelligence advisor to the Council was inherent in the position itself, and that it would be improper to provide by law that the head of the Agency, under the Council, should sit on the Council.<sup>94</sup> While being present at the meeting of the Council did not necessarily constitute sitting "on" the Council, General Vandenberg's recommendation was rejected.

**SECRET**

**SECRET**

However, during a hearing of the House Committee with  
Secretary Forrestal testifying the issue was reopened:<sup>95</sup>

Rep. Boggs (D., La.): "The Director of the Central  
Intelligence Agency would work under the National Security  
Council."

Secretary Forrestal: "That is correct."

Rep. Boggs: "He is not a member of the National Security  
Council; he is an independent appointment of the President,  
but he works under, on this chart -- he is not a member of  
the Council, the heavy line drawn here, but he is more or  
less an executive secretary on intelligence matters for the  
Council."

Secretary Forrestal: "Well, it is obvious, Mr. Boggs, that  
the results of his work would be of essential importance to  
the Security Council."

Rep. Boggs: "I think so, and I agree with you, but the thought  
that I have in mind was that he should be a member of the  
Council himself. After all, he is dealing with all the informa-  
tion and the evaluation of that information, from wherever we  
can get it. It seems to me that he has knowledge and informa-  
tion of matters which the National Security Council would  
consider more information at hand and the evaluation of that  
information than any other member of that Council. He  
should be put on an equal basis."

Secretary Forrestal: "I think that there is always some limit  
to the effectiveness of any organization in proportion to the  
number of people that are on it. The services and the intelli-  
gence information of the Director of Intelligence would be  
available, and certainly no man who is either the Secretary of  
National Defense or the Chairman of the Security Council,  
would want to act or proceed without constant reference to the  
sources available to this Central Intelligence Director. But  
again, I would not try to specify it by law, so confident am I  
that the practical workings out of this organization would  
require his presence most of the time."

Rep. Boggs: "I can see -- I do not know that I can see -- I  
can visualize in my mind, even if this bill becomes a law,  
as presently set up, a great deal of room for confusion on

**SECRET**

**SECRET**

65

intelligence matters. Here we have the Director of the Central Intelligence Agency, responsible to the National Security Council, and yet the Director is not a member of that Council, but he has to get all of his information down through the chair of the Secretary of National Defense, and all the other agencies of Government in addition to our national defense agencies, the Secretary of Agriculture, the Secretary of State, and so forth. I just cannot quite see how the man is going to carry out his functions there without a great deal of confusion, and really more opportunity to put the blame on somebody else than there is now."

Secretary Forrestal: "Well, if you have an organization, Mr. Boggs, in which men have to rely upon placing the blame, and this is particularly true of Government, if you once get that conception into their heads, you cannot run any organization, and it goes to the root, really, of this whole question. This thing will only work, and I have said from the beginning it would only work, if the components in it want it to work."

Rep. Boggs: "Right, I certainly agree with that..."

There was to be no further proposal to place the Director of Central Intelligence on the National Security Council as a member, although discussions such as that held between Mr. Boggs and Secretary Forrestal help to shed further light on the role of the DCI as the nation's chief intelligence advisor, as confirmed by subsequent Presidential action.<sup>96</sup>

#### Summary

The relationships which had existed for central intelligence within the intelligence community and to the policymakers under the National Intelligence Authority were for the most part ratified by the Congress in the National Security Act of 1947. The Director of Central

**SECRET**

SECRET

Intelligence and the Central Intelligence Agency were placed under a National Security Council, whose membership was expanded to include the President.

As finally enacted, the "Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof..." was established "...under the National Security Council."<sup>97</sup> The responsibilities of the Director of Central Intelligence to the departments and their intelligence agencies under the 22 January 1946 Presidential Directive were made specific duties for CIA "under the direction of the National Security Council" as follows:

"(3) to correlate and evaluate intelligence relating to the national security, and provide for the dissemination of such intelligence within the Government using where appropriate existing agencies and facilities..."

"(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally."<sup>98</sup>

The Congressional discussions leading to this enactment helped to publicly clarify the role of the DCI and the CIA and the nature of the supra-departmental tasks facing central intelligence.

SECRET

**SECRET**CHAPTER VI. FUNCTIONS

The basic functions of a national foreign intelligence organization were prescribed as early as 1941 in connection with the appointment of the Coordinator of Information; continued in 1942 in the case of OSS in a form tailored to the war effort; reviewed in 1944 within the Executive Branch as "Donovan's 10 Principles"; reaffirmed in 1945 in the plan of the Joint Chiefs' and the recommendation of the Secretaries of State, War and Navy; and in 1946 directed by the President as responsibilities of the Director of Central Intelligence.

In 1947 the basic functions of a national foreign intelligence organization were approved by the Congress of the United States in Section 102 of the National Security Act of 1947:

- (d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council--
  - (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;
  - (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
  - (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities:  
Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions:  
Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence:

**SECRET**

And provided further: That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

Thus, with slight modification and with a birthright back to 1941, the responsibilities of the Director of Central Intelligence<sup>99</sup> under the 22 January 1946 Presidential Directive were specified in the National Security Act of 1947 as duties for the CIA and imposed upon the DCI as the head of the Agency.

The approval of Section 102 involved more than placing a statutory capstone on six years of prior development within the Executive Branch. For a number of reasons already suggested,<sup>100</sup> Congress was to show deep interest in the functions of CIA.

Senate. It is recalled that the President's proposal sought to incorporate the 22 January 1946 Presidential Directive by referencing the functions of the DCI and CIG under it and transferring them to the DCI and the CIA under the proposed Act. This procedure caused some discomfiture within the Senate committee in connection with CIA's responsibilities to the departments and their intelligence agencies. Senator Tydings registered his concern over the lack of specificity on this issue and remarked that the CIA section as proposed by the President "deals more or less with

consolidation and not with the duties that devolve upon that office. It seems to me that there is a void in the bill that ought to be eliminated.<sup>101</sup>

While the Senate committee and the Senate were willing to await the early submission of enabling legislation for CIA to correct what was viewed by some as a deficiency, Senator Edward Robertson (R., Wyo.) commented when the measure reached the Senate floor, "It is necessary to go to Executive Order to find out what the functions and the powers of the Central Intelligence Agency are to be. Many...have taken the trouble to do so -- and I comment parenthetically that it should not be necessary to go to Executive Order to interpret a statute."<sup>102</sup>

The functions of the CIA were eventually spelled out in the National Security Act of 1947 in line with a determination that "...it is better legislative practice to spell out such duties in the interests of clarity and simplicity."<sup>103</sup>

House Committee. The interest of the House Committee on Expenditures Departments in the functions for the CIA is illustrated in Mr. Busbey's questioning of Secretary Forrestal:<sup>104</sup>

Rep. Busbey (R., Ill.): "Mr. Secretary, this Central Intelligence Group, as I understand it under the bill, is merely for the purpose of gathering, disseminating, and evaluating information to the National Security Council, is that correct?"

Secretary Forrestal: "That is a general statement of their activity."

Rep. Busbey: "I wonder if there is any foundation for the rumors that have come to me to the effect that through this Central Intelligence Agency, they are contemplating operational activities?"

**SECRET**

Secretary Forrestal: "I would not be able to go into the details of their operations, Mr. Busbey. The major part of what they do, their major function, as you say, is the collection and collation and evaluation of information from Army Intelligence, Navy Intelligence, the Treasury, Department of Commerce, and most other intelligence, really. Most intelligence work is not a mystical or mysterious character; it is simply the intelligent gathering of available data throughout this Government and throughout our consular services, from our military attaches. As to the nature and extent of any direct operational activities, I think I should rather have General Vandenberg respond to that question."

"I should like to add this, however, that in the democracy in which we live, and which we certainly intend to keep, intelligence activity is a difficult task. By the nature of its objectives it ought not to have publicity, and yet that is one of our difficult problems--just as, during the war, one of our greatest problems was the making available of the news that should be available, and yet denying to the enemy the things that would lend him not only comfort but substantial and effective help; and the same is true of intelligence. We do need a central intelligence agency, and we do need access--we do need to have some machinery for collecting accurate information from the rest of the world, because, as I said earlier, the speed, the tempo, and the fluidity of events in the world today very definitely require some central source here that is trying to evaluate those events for the various departments of Government that are charged with our security."

This line of questioning was continued by Rep. Brown, who participated in the hearings as a member of the Rules Committee:<sup>105</sup>

Rep. Brown (R., Ohio): "...How far does this central intelligence agency go in its authority and scope?

"You mentioned that they combine and can use the agencies within the Treasury, I believe, within the Department of Commerce, and the like."

Secretary Forrestal: "I said they had available to them, and should have available, and should gather all information that bears upon our national security, from every agency of Government.

"Take, for example, the question of raw material."

Rep. Brown: "Do you limit it to national security?"

**SECRET**

SECRET

Secretary Forrestal: "I might read from the paper that created the authority."

Mr. Brown: "As I understand, this original authority was created by directive of the President?"

Secretary Forrestal: "That is correct, sir."

Rep. Brown: "Rather than a law passed by the Congress of the United States.

"The provisions of this bill dealing with Central Intelligence would, I assume, supplant this Executive Order?"

Secretary Forrestal: "May I respond to your question thusly: The purpose of the Central Intelligence Authority was directed solely to the necessary intelligence activities that dealt only with our national security."

Rep. Brown: "I understand that."

"Please look on page 21, line 7, or line 13 of the bill; you will notice by statute you transfer the function of the National Intelligence Authority to the National Security Council and the Director of Central Intelligence, and the functions of the Central Intelligence group are transferred.

"However, the functions are set up nowhere that I have knowledge of in the statutory law of the land, and your statute refers back so some Federal Register of February 5, or some other date, and some directive issued by the President of the United States, under what I still think is questionable authority. Nobody can tell from that statute, from this bill, if enacted into law, what power or authority this fellow had."

Secretary Forrestal: "While it is not specified in this bill, Mr. Brown, the intent is, should this bill become law, to implement specifically, by statute, that part of it that deals with the reference to the Central Intelligence Authority."

Rep. Brown: "Do you not think it should be done all at once before you pass a thing like this? Do you not think this should be set out in the statute?"

"Intentions are fine things, but intentions make good paving blocks, too."

Secretary Forrestal: "Well, it could be done simultaneously. I

SECRET

**SECRET**

would rather not try to have that bill incorporated as a part of this bill."

Rep. Brown: "Do you not think this bill should come first, then, and have an agency legalize and authorize the law and put it in here?"

Secretary Forrestal: "There is no reason why you could not have it a part of this bill, and I think General Vandenberg, as a matter of fact, is now preparing a statute which could either be incorporated in this bill or dealt with as a separate act."

"Either way would be quite all right, as far as I am concerned."

Rep. Brown followed up his questioning of Secretary Forrestal concerning the functions of the Agency with Admiral Sherman. After getting Admiral Sherman to admit that he believed the outline of our national security structure should be established by statute:<sup>106</sup>

Admiral Sherman: "I think that this bill does it properly. As I said in my prepared statement, this bill represents a compromise between opposing views, and I believe it is the optimum settlement of the matter, for the time being... My understanding of the effect of this bill in that regard is that it would freeze the order specifically referred to, which is President Truman's letter of January 22, that it would freeze that letter and make it permanent until such time as the Congress passed an adequate organic law for the Central Intelligence Agency."

Later, during the same session, Admiral Sherman pointed out that:

"...it was not the Central Intelligence Group which wanted to defer their legislation until a later time; it was General Norstad and I who were charged with preparing a draft for this bill. We felt that if we attempted to get all the duties of the Central Intelligence Agency in here, then there would be a demand to put all the duties of the Navy, all the duties of each agency, in great detail, and we would wind up with a very bulky volume."

**SECRET**

Rep. Harness (R., Ind.) then asked if that was

"...the only reason given why you preferred to simply transfer the Security Agency under the Executive order rather than to write in the act, the functions of the Agency?"

Admiral Sherman replied:

"That was the only reason from my point of view, sir. I felt that that was rather a large subject by itself, and that it would unduly complicate this other legislation."

Rep. Harness concluded by observing:

"But at the same time you proposed later on to ask the Congress to enact a law that would do that very thing?"

#### Summary

The Presidential Directive of 22 January 1946 was entered into the Record in the Committee hearings<sup>107</sup> and the basic functions of the Director of Central Intelligence under that directive were described by General Vandenberg before both committees in the following terms:<sup>108</sup>

"The Director of Central Intelligence is presently charged with the following basic functions:

1. The collection of foreign intelligence information of certain types - without interfering with or duplicating the normal collection activities of the military and naval intelligence services, or the Foreign Service of the State Department.

2. The evaluation, correlation and interpretation of the foreign information collected, in order to produce the strategic and national policy intelligence required by the President and other appropriate officials of the Government.

3. The dissemination of the national intelligence produced.

4. The performance of such services of common concern to the various intelligence agencies of the Government as can be more efficiently accomplished centrally.

5. Planning for the coordination of the intelligence

SECRET

74

activities of the Government so as to secure the more effective accomplishment of the national intelligence objectives."

It was clear that the correlation, evaluation and dissemination of intelligence relating to national security was an inherent part of central intelligence and that these functions were widely recognized and supported by the Congress. Four of the five functions as seen by General Vandenberg are clearly recognizable in Section 102 as enacted.<sup>109</sup> The first, collection of foreign intelligence of certain types, was not to be specified in the Act but understood to be one of the services that the National Security Council could direct the Agency to perform.

SECRET

## CHAPTER VII. COLLECTION

### Background

Certain elements within the intelligence community had feared from the outset that a centralized organization would so dominate the intelligence field that it would encroach upon departmental collection, evaluation, and dissemination functions. In the interest of assuaging these fears, the Presidential Directive provided that "The existing intelligence agencies of your Departments (State, War, and Navy) shall continue to collect, evaluate, correlate and disseminate departmental intelligence."

Notwithstanding this qualification, however, a House report<sup>110</sup> of the 79th Congress, apparently again reflecting the reservation of certain elements in the intelligence community, recommended that the Director of Central Intelligence "...should not undertake operations for the collection of intelligence."<sup>111</sup> Prior to the issuance of this House report, the National Intelligence Authority, in furtherance of its responsibility to insure "the most effective accomplishment of the intelligence mission relating to the National security," had directed that:

"...the Director of Central Intelligence is hereby directed to perform the following services of common concern, which this authority has determined can be more efficiently accomplished centrally: Conduct of all organized Federal espionage and counter-espionage operations outside the United States and its possessions for the collection of foreign intelligence information required for the national security..."

### House Committee

Therefore, when this issue was again raised during the 80th

Congress, the Secretaries of State, War, and Navy constituted as the National Intelligence Authority, sent a letter to Clare Hoffman, Chairman, House Committee on Expenditures in the Executive Departments, which referred to the 8 July 1946 directive and denied charges appearing in the press that the CIG had usurped various departmental intelligence functions and had forced established organizations out of the field. Excerpts from that 26 June 1947 letter follow:

"It has long been felt by those who have successfully operated clandestine intelligence systems that such work must be centralized within one agency. As a corollary to this proposition, it has likewise been proven that a multitude of espionage agencies results in two shortcomings: first, agents tend to uncover each other or block each other's funds or similarly neutralize each other, being unaware of identical objectives; second, each agency tends to hoard its own special information or attempts to be the first to deliver a choice piece of information to higher authorities. This latter type of competition does not permit the overall evaluation of intelligence on a given subject, as each agency is competing for prestige..."

"The Central Intelligence Group should be free to assume, under our direction, or the subsequent direction of a National Security Council, the performance, for the benefit of the intelligence agencies of the Government, of such services, of common concern, including the field of collection, as this Authority or a subsequent Council determines can be most efficiently performed centrally."

In keeping with the precedent of not publicizing espionage as an activity of the United States Government, almost all discussion relating to the clandestine collection function was deleted from the printed committee hearings. However, the day after Chairman Hoffman had received the 27 June letter from the National Intelligence Authority, the House Committee on Expenditures in the Executive Departments

**SECRET**

met in executive session to hear testimony on whether or not the responsibility to collect certain foreign intelligence should be assigned to the Central Intelligence Agency.<sup>112</sup>

Rep. Wadsworth (R., N. Y.): "...in view of this paragraph concerning the existing intelligence agencies of your departments, which are G-2, ONI and the appropriate agency of the State Department, which paragraph reads:

"The existing intelligence agencies of your Departments shall continue to collect, evaluate, correlate and disseminate departmental intelligence."

"Apparently the issue arises around the meaning and interpretation of that paragraph along with paragraph 'C' which directs the Central Intelligence to perform such service of common concern as can be more efficiently accomplished centrally."

General Hoyt S. Vandenberg: "...The Intelligence Advisory Board, which consists of the three departmental intelligence organizations, State, War, and Navy, in consultation with the Director of Central Intelligence, made an exhaustive study of the best way to centralize, both from the point of view of efficiency of operation and cost, certain phases of the national intelligence.

"They all felt, together with myself, who was Director at that time, that a very small portion, but a very important portion, of the collection of intelligence should be centralized in one place. Now, the discussion went on within the Intelligence Advisory Board as to where that place should be."

Rep. Brown: "...In other words, you proceeded under the theory that this Central Intelligence Agency was authorized to collect this information and not simply to evaluate it?"

General Vandenberg: "We went under the assumption that... that part that says that we should 'perform such other functions and duties as the President and the National Intelligence Authority may from time to time direct,' and 'recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the National Intelligence mission 'gave us that right.'"

**SECRET**

**SECRET**

Rep. Brown: "In other words, if you decided you wanted to go into direct activities of any nature, almost, why, that could be done?"

General Vandenberg: "Within the Foreign Intelligence field, if it was agreed upon by all of those agencies concerned."

Rep. Brown: "And that you were not limited to evaluation?"

General Vandenberg: "That is right, sir."

• • • •

General Vandenberg: "...Now, the difficulty we ran into in the Intelligence Advisory Board was this: It is almost universally agreed that the collection of clandestine intelligence must be centralized some place; because if it is disseminated among several organizations without one head, the agents who are operating expose each other. We saw that ourselves during the war in the Balkans.

"The British have had their experience, and the Germans in their report of the war indicate that that was one of the causes of their failure. We believe that the Russian expose in Canada had something to do with the numerous agencies up there. Universally, among the heads of the intelligence organizations in the government, the belief is that clandestine intelligence should be centralized.

"Then the point came: Where should we centralize it? If we put it in G-2, that made an organization which had particular points of view and priorities responsible for collecting the clandestine intelligence for the State Department and the Navy Department, and that would immediately cause a furor, because neither State nor Navy could have assurance that the proper priority would be given to the collection of their intelligence.

"The same thing was true if we put it in State, and the same thing was true if we put it in the Navy Department."

Rep. Wadsworth: "And did the head of G-2 and the head of ONI agree to this proposal?"

General Vandenberg: "Yes sir."

Rep. Brown: "...one of the big questions in my mind is whether or not we should not set forth in the statute, as a law-making

**SECRET**

**SECRET**

body is presumed to do, what the functions of an agency it creates may be."

General Vandenberg: "I would agree with that, except for this one point. Today we are tyros in this game of foreign intelligence. We are trying to overcome in two or three years sometimes hundreds of years of experience.

"People will tell you that we know all of the answers and this is the right way to do it. I do not believe that there is anybody in the United States today who can tell you that; and I would prefer to let this thing grow in the hands of people who are primarily interested in getting this intelligence."

Rep. Brown: "You can write these functions in the statute and you can change them?"

General Vandenberg: "I do not think anybody knows."

Rep. Brown: "We are supposed to say what an agency of this Government can do."

General Vandenberg: "If we had had the Central Intelligence Group 300 years ago, or 200 or 150 years ago, we could come in and tell you what, in our opinion, was our best advice on how those functions should be delineated. I do not think that we can do that today."

Rep. Brown: "You think we should delegate to a Security Council, then, the authority to fix functions and to change them as they may see fit, which might possibly endanger the rights and privileges of the people of the United States?"

General Vandenberg: "No, sir, I do not think there is anything in the bill, since it is all foreign intelligence, that can possibly affect any of the privileges of the people of the United States... My feeling is that the limitations, as transferred from the President's letter, are sufficient to protect the people of the United States, but that is my personal opinion, and that in the hands of the Security Council the collection of foreign intelligence can be properly administered and will be given enough of a broad policy in order to set this thing up, so that we will have, some day, real national intelligence. I can see no reason for limiting it at this time."

.....  
**SECRET**

SECRET

80

Rep. McCormack (D., Mass.): "Do you think the CIG should do collection work?"

Mr. Allen W. Dulles: "Yes, I do. I would like to get into that point, and I realize it is a contentious point, and it is a difficult point, and there are arguments on both sides. There is a lot of misunderstanding about secret intelligence."

"In the first place, secret intelligence and clandestine intelligence is only one relatively minor segment of the whole intelligence picture. There are several branches of secret intelligence, and some one agency has to do that. I think it is impossible to continue with a series of agencies engaged in the work of secret intelligence. You are going to cross wires, and you are going to find that these various agents will become crossed. You will find that, because it is very delicate and difficult field which requires the greatest amount of coordination. I do not know where else it can be put..."

"I feel very strongly that there must be a central directing agency of that with the power to do the secret collecting, using such agencies as that Central Agency desires, including its own. That has been the experience of most other countries..."

"The argument has been raised that if you have both the functions of collection and analyses and reporting, that you are likely to put undue weight on the information you collect yourself as against the information that comes to you from other agencies. Well, that is a human failing. I think if you have a good man, that is not the case. Personally, I would not, myself, put a tremendous amount of weight on clandestine intelligence. It has got to be proved before it is any good."

Later in the same session Rear Admiral Thomas Inglis gave the committee three supporting reasons for centralizing certain responsibilities: economy, effectiveness and plausible denial.

Admiral Inglis: "...I hold the view that covert operations should be controlled centrally and divorced from the departments having intelligence agencies for the following reasons:

- (a) Central operation is more economical because it avoids duplication, reduces overhead, and assures that the needs of all departments requiring covert intelligence are equitably met.
- (b) Central operation is considered more effective because it can cover the entire field of covert intelligence ..

SECRET

a field which for its full exploitation must be worldwide and closely integrated, with no competing agents working at cross purposes.

(c) Covert activities are occasionally exposed by foreign governments. It is desirable that no embarrassment, such as exposure may entail, should fall upon the State, War, or Navy Departments which must protect the diplomatic standing of their missions and attaches."

There is no record of any subsequent challenge to either the authority or the desirability of the Agency engaging in certain espionage and counter-espionage activities.

#### Summary

In connection with the 22 January 1946 Presidential Directive, it was determined that it was not in the interest of the United States to refer to clandestine collection (espionage) in public documents.<sup>113</sup>

Apparently following the precedent thus established, the House Committee did not specify the collection function in the legislation. Instead, the House Committee inserted language essentially identical to both the common concern and catch-all provision of the Presidential Directive:

"Sec. 102 (d) (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

Thus, the authority and indeed the responsibility for certain intelligence collection was deferred to the general authorities and responsibilities of Section 102 (d) with the knowledge of the manner in which these general authorities and responsibilities had been implemented in the past and would be implemented in the future.

### CHAPTER VIII. CIVILIAN STATUS OF DCI

The civilian status of the Director of Central Intelligence became a central issue in the Congress. Undoubtedly, the language of the Presidential proposal<sup>114</sup> contributed to the doubts of members concerned with retaining civilian control over the armed forces: "...we have constantly kept a civilian in the positions of Secretary of War and Secretary of Navy, and this bill provides that the Secretary of Defense shall be a civilian. I think it is for the same reason exactly, (to have a civilian DCI) to safeguard and to make certain there is not to be any usurpation of power."<sup>115</sup>

An amendment requiring a civilian Director passed the House in line with "...a legitimate fear in this country lest we develop too much military control of an agency which has great powers and operates in secret..."<sup>116</sup> While the requirement was eliminated in conference, the House conferees pointed out the compromise provision seeks "...to divorce the head of the agency from the armed services if a man in the service is appointed."<sup>117</sup>

Three months earlier General Vandenberg was succeeded as Director of Central Intelligence by Admiral Roscoe Hillenkoetter. The Washington Post, in a 3 May 1947 editorial, observed:

"...General Vandenberg's resignation points up a fundamental weakness in our intelligence set up which is carried over in the new Central Intelligence Authority (sic) envisioned under the armed forces merger bill. That is the weakness of permitting a military man to retain his active duty status while serving as

**SECRET**

Director of Central Intelligence. Inevitably this results in a tendency on part of the incumbents to regard the job as merely a stepping stone in an essentially military career. Hence, it invited the trading back and forth between the Army and Navy evidenced by the appointment of two admirals and one general in 16 months. What is needed is to develop the concept of long-term career service in this highly important job. We hope Congress will see to it that the merger bill is amended to establish a specific term of office<sup>118</sup> and to require that the Director be in fact a civilian. This need not militate against Admiral Hillenkoetter if he is sincerely interested in an intelligence career, for he can relinquish his active Navy status and retain the Directorship as a civilian..."

Conceding that the position of DCI should be held by a civilian, it was also true that the nation did not have extended experience in the foreign intelligence field. The few men who had the experience "...have gained their experience in the Army and Navy, and are still in the service."<sup>119</sup>

The provision concerning the DCI in the Presidential draft sought to overcome the existing legal disability running against certain officers of the Armed Services from accepting a civil office.<sup>120</sup> The results of this legal disability would have required certain officers to vacate their commissions. Consequently, one of the prime objectives of the Presidential language in the proposed act was to overcome this legal disability and otherwise to provide benefits and protection to assure that such a career officer in the position of the DCI would have the requisite freedom from control by his parent service.

With the exception of requiring the advice and consent of the Senate to the appointment of the Director, the language pertaining to the

**SECRET**

**SECRET**

Director of Central Intelligence approved by Congress did not substantially vary from the Presidential proposal. However, the result was to further amplify the importance of freedom from departmental influence and the other side of that coin, the non-political and non-policy nature of the position of the DCI and the Agency which he heads.

Senate

The only amendments proposed to the CIA section by the Senate Armed Services Committee related to the Director of Central Intelligence.<sup>121</sup> The proposed language, "...with a Director of Central Intelligence, who shall be the head thereof, to be appointed by the President...", was amended to read, "...with a Director of Central Intelligence, who shall be the head thereof, to be appointed from the armed services or from civilian life by the President, by and with the advice and consent of the Senate."<sup>122</sup>

The Senate Committee thus adopted language which substantially was the same language carried in the White House draft<sup>123</sup> as late as a month before the final proposal was submitted to the Congress. The Committee explained in its report:

"In view of the fact that certain officers of the armed services have had wide experience in handling the type of intelligence with which this agency will be largely concerned, the provision of the bill to permit the Director of Central Intelligence to be appointed from the armed services as well as from civilian life is most desirable. During the Agency's formative years, it is essential that its Director be technically the most experienced and capable obtainable, regardless of whether he is appointed from civilian or military life."<sup>124</sup>

**SECRET**

**SECRET**

Senator Robertson (R., Wyo.) cited the language relating to the Director of Central Intelligence in the President's proposal as evidence of the military control being established under the bill, thus creating a "military empire."

"...The bill really goes further than this; by its emphasis on provisions relating to a military director, it suggests that the Director should be a military officer. Originally, the bill required a military director; the modification to permit a civilian to serve as Director was inserted only after opposition to such an obviously improper requirement. The mere fact that the bill still permits a military officer to serve as Director is sufficient indication, to my way of thinking, that the draftees of the bill still expect the President to appoint a military officer to the Director's job."<sup>125</sup>

On the last day of Senate debate on the bill, Senator Robertson concluded:

"...With respect to the Central Intelligence Agency, I shall leave to other critics of the bill the problem of writing into law a proper set of functions to replace the bland reference to present duties under executive order. As a minimum step in the protection of civil liberties it should be made mandatory, however, that the Director of Central Intelligence should at all times be a civilian who can make such a position a career."<sup>126</sup>

However, these remarks by Senator Robertson were only a prelude to more extensive discussion on the floor of the House some ten days later, which culminated in an amendment requiring that the Director be a civilian.

#### House Committee

The House Committee on Expenditures in the Executive Department vigorously explored the question in executive session:<sup>127</sup>

General Vandenberg (replying to a question as to whether the Director of Central Intelligence should be appointed from

**SECRET**

**SECRET**

military or civilian life): "... It makes not one bit of difference, except for this fact: Initially, the military are very loath to trust their top secret information to someone over whom we do not have the ability to penalize by court action if they divulge some of this. We do not have an official secret act with teeth in it, but we do have within the Army and the Navy the ability to court martial anybody.

"... Now, if we can put a military person in there initially and let him organize this thing and let the flow of information get fully established, after that period it makes no difference whether it is civilian or military, and the information will continue to flow."

.....

Rep. Manasco (commenting on General Vandenberg's recommendations): "... would you object to an amendment to the bill providing that, say, in the next 8 or 10 years the person at the head of the CIG must be a civilian, and that will give you an opportunity then to take the civilian and train him like Mr. Hoover was trained and make a career man of him? A change every four years weakens our intelligence."

General Vandenberg: "I would prefer not to see it written in. It is now left up to the President and Congress under this bill to pick the man, and if he happens to be a military man, I think they ought to be free to put him in."

The Chairman: "Do you not realize that there is a fear among a great number of our people that there are too many military men getting in? For instance, Marshall is Secretary of State and so on down, and everywhere we look, we see an Admiral or former military man."

General Vandenberg: "Yes, sir."

The Chairman: "Would not the law work better and be more acceptable if the fears, justified or not, on the part of the people were sort of allayed?"

General Vandenberg: "I anticipate, Mr. Chairman, that after Admiral Hillenkoetter, who the Secretary of War has stated to a Senate Committee intends to make this a career, that after him, I would anticipate that probably the next man to be appointed would be a civilian; I would just guess that."

**SECRET**

SECRET

87

Rep. Judd (reading from a letter from a person whom the Congress-man described as a Governor of a state who was formerly with OSS): "Let me read the second part of this. This gentleman says most emphatically:

"The Director should be a civilian. The experience of the last few months shows the complete futility of placing other than a civilian in charge of the Central Intelligence Agency. A man from the services will be subjected to pressure for his own particular branch. Unless he is a weakling, he will ardently desire to leave Intelligence. He will never wish to make a career of the securing of intelligence.

"In the past 15 months there have been three heads to the Central Intelligence Agency. Under the set-up in the bill as now it will serve as a stop-gap position for officers being moved up to other assignments. Intelligence today is not primarily military. It is political and technological, as essential in peace as in war. No career officer is likely to look on it this way."

"I would like to have your comment on that. He is the man who has been immediately in charge of the prototype for the first experimental efforts in this field."

General Vandenberg: "I feel that up to this time, the change of directors at Central Intelligence has been a healthy thing."

Rep. Judd: "Three times in 15 months?"

General Vandenberg: "I think that is right. Now, we have gotten the diversified ideas of Navy, Army and State, and we have had different people viewing this, and it has been shifted and tried with new points of view, which has been very healthy in its formative stage."

Rep. Judd: "You would not recommend that as a regular policy?"

General Vandenberg: "If that continued, it would be very detrimental. I pointed that out, I believe, when we appeared before the Senate Committee. At that time, however, Mr. Forrestal, Secretary of the Navy, stated that Admiral Hillenkoetter intended to make this a career. From that viewpoint, I think that he is a very fine choice to head this organization, and I agree with what the gentleman said in the letter, if you will take it from this time on."

SECRET

SECRET

Mr. Allen W. Dulles (commenting on the need to construct the centralized organization on a permanent basis): "...I feel that the important thing if we are going to build up an Intelligence Agency is permanence. We have got to make sure that the fellow that goes in there as head of the Central Intelligence Agency is going to stick to it. This is a job not of one year but of five or ten or fifteen years. I think J. Edgar Hoover's prestige and the prestige of his organization is due to the fact that he has been there for twenty-five-odd years. That is true, I think, with the British Intelligence Service, too. The fellow that has been there, I think has been there for twenty-odd years. It takes time.

"Now, I do not think, and I believe therefore that the person who acts as head of that agency should act in a civilian capacity. I do not say that he should be a civilian, I mean he should become a civilian, and make that his life work and not look forward to promotion in the Army or the Navy or the Air Corps.

"It might well be that the best person to head up that agency might have had military training up to the time he takes that job, but when he takes that job it is like going into a monastery. He has got to devote his life to that, and to nothing else."

• • • •

Mr. Dulles (commenting on the curtailment of benefits should the Director of Central Intelligence return to his parent service): "I do not think I would put any prohibition on that. I think it is a pity if the fellow that does that feels after two or three years he can go back and be an admiral or vice admiral or the other. That is unsettling. The President has got to be satisfied that when a fellow goes into this job that he is going to make that his life work and perform his duties to the satisfaction of the Authority under which he works."

Rep. Manasco: I was thinking now, since we have no civilians in this type of work, we should have for the next 10 years a military man as head of it, if he continues to serve from now on and does not go back to the Army."

Mr. Dulles: "I would not affect his retirement, but I would make him operate as a civilian while he is there. Later he may want to resign if there are provisions for his going back in the service, but I am skeptical about that because I am afraid if you open that door too wide, you are going to defeat the essential purpose we are trying for."

SECRET

**SECRET**

Rep. McCormack (D., Mass.): "I do not think there is too much disagreement, except at the outset, Mr. Vandenberg felt that there might be a military man at the outset."

Mr. Dulles: "I have the highest regard for General Vandenberg and the others, as far as individuals are concerned. They are men of a very high type."

Rep. McCormack: "What would be your opinion at the outset?"

Mr. Dulles: "I think that you have got to start now, if you are going to develop this thing, and develop it with the utmost seriousness; and the fellow that takes it on, who is appointed now, I think ought to make it a life work."

Admiral Thomas Inglis (presenting assets that military men would carry over into the position of Director of Central Intelligence): "Civilian vs. military appointee as Director of Central Intelligence: The Director of Central Intelligence should be the man best qualified for the job, whether he be civilian or military. This is wisely provided for in the bill under consideration. I have heard many arguments on the merits of a civilian director, and I have no objection to the appointment of a competent civilian to the post, but there are also advantages to the appointment of a military man to the post.

"In the first place his loyalty would be unquestioned, for any conceivable military appointee would be a man who had served his country faithfully for a long period of years under close observation. There can be no question but that absolute loyalty to the Government of United States is the first requirement of a Director of Central Intelligence.

"Secondly, a military appointee would be politically non-partisan. His complete independence from political ties or commitments would give assurance that the conclusions of the Central Intelligence Agency will be entirely objective.

"Finally, a military appointee would be readily available, whereas the best qualified civilian might hesitate to accept a government post requiring almost certain financial sacrifices, or the abandonment of an established civilian profession. It is not recommended, however, that an officer, no matter how well qualified, be ordered unwillingly to the position of Director of Central Intelligence. A Director, whether civilian or military, should assume the post voluntarily with the intention of devoting to intelligence the rest of his useful career.

**SECRET**

**SECRET**

"I have on occasion heard the objection that a military man would be partial, that he would attach too much weight to reports from military sources. It may be answered that a military officer will be more sharply aware of military developments which impose a threat to our security. It may be similarly argued that a civilian would over estimate reports from civilian sources. Impartiality is not an attribute of either the civilian or military mind alone. It is a quality to be sought in a Director regardless of his past training or career. The practice of other democratic nations has almost invariably been to assign a military director to foreign intelligence and to make him responsible either to his country's General Staff or to its civil Premier. That is true, for instance, in Great Britain, France, Holland, Belgium, Switzerland, and the Scandinavian States.

"There has been a lot of confusion in the statements that have been made about that, and very often when they say that the Director of the intelligence service of some country is a civilian, they are referring to the counterpart of FBI, rather than to the counterpart of the Director of Central Intelligence here."

. . . . .

Rep. Judd (following up in detail with Admiral Inglis on distinction between "retiring" and "resigning" in connection with the employment of a military officer as Director of Central Intelligence): "Let me ask you one more question. It is on this question of whether the Director should be a civilian or a military man.

"Do you think that if the best man for the job is a man from the Army and Navy, and he is appointed as director of Central Intelligence, that he should resign so that he gives his whole undivided attention without any possibility of being influenced either by his former associations or present associations or his own hankering perhaps to get back into the service where he spent most of his life?"

Admiral Inglis: "Yes, sir; do you mean resign or retire?"

Rep. Judd: "Either one. I think in any case, perhaps I should qualify the question, that he should resign or retire with full protection of his personal rights."

Admiral Inglis: "Yes, sir, that would be retirement."

Rep. Judd: "Yes."

Admiral Inglis: "He should certainly enter that job with the idea that he has burned his bridges behind him professionally, that he

**SECRET**

~~SECRET~~

has given up any ambitions of becoming Commander in Chief of the Pacific Fleet, and so forth, and he is in the psychological frame of mind that he will devote the rest of his life, assuming his service continues to be desired, to the national intelligence authority, to that particular job."

Rep. Judd: "And as a civilian, after he assumes it."

Admiral Inglis: "To all intents and purposes. If Congress believes that that is not sufficient, if they believe that however psychologically he might be prepared then for that, still two or three years later he might get a little disgusted with the way things are going, and he might have a return of a hankering to get back into the Navy, if they believe that, they would have to have some protection against that eventuality, then I would suggest that Congress write into the law that the individual must retire, not resign..."

"I want to make that distinction between retiring and resigning. Once he has retired, he can never entertain any ambitions from then on of ever getting back into the swing."

Rep. Judd: "Do you feel that if the individual's personal rights are properly protected, that it would be better, he would be able to approach the thing with a greater detachment, if, as one witness here this morning testified, he ought to approach it as a man going into a monastery, 'This is the place where I can make the greatest contribution to my country in my remaining days.'"

Admiral Inglis: "I have precisely that same philosophy about it."

• • • •

House Floor

The language pertaining to the position of the Director of Central Intelligence reported out by the House Committee was the language which was eventually adopted by both Houses.<sup>128</sup> Rep. Harness explained that the committee had taken special pains in drafting language pertaining to the Director of Central Intelligence to assure on the one hand that the nation would not be deprived of the services of a military officer in the

~~SECRET~~

SECRET

92

position and on the other, that any officer serving in that position would be free from undue departmental influence.

Rep. Harness: "There has been insistence that the director of this agency be a civilian. I believe we should eventually place such a restriction upon the authority we are proposing to create here, although I say frankly that I am not convinced of the wisdom of such a restriction at the outset.

"Prolonged hearings and executive sessions of the committee behind closed doors lead me to wonder if we have any single career civilian available for this job as a few men who might be drafted from the services for it. Understand, please, that I want to protect this very influential post against the undue military influence which might make of this agency an American Gestapo. If we can find a well qualified civilian career man able and willing to handle this post, I would readily accede to this limitation. Let me repeat, however, that this Nation is without extended experience in this field; and that we actually have comparatively few men qualified by experience to head this agency. Most of these few qualified men have gained their experience in the Army and Navy, and are still in service. Before we deny ourselves of the service such military men may be able to render the country in this capacity, let us be very sure that there are civilian candidates qualified by training and experience available to serve us equally well, or better.

"Again let me say that I have no objection to a restriction in this measure which will require a civilian head in this agency. I merely want reasonable assurance that such a restriction will not deny us of the services now of the best available man if this plan becomes operative. It wrote into the bill provisions that should allay any of their suspicions or fears as to what might happen if this bill is enacted into law. I feel their apprehensions are without foundation."<sup>129</sup>

When the proposition was opened to amendments, Rep. Judd, explaining that he had lost out in committee by a small majority, offered a floor amendment requiring that a military officer appointed as Director of Central Intelligence must either resign or be retired. The colloquy which this amendment sparked and which eventually led to the adoption

SECRET

**SECRET**

93

of a substitute amendment by Rep. Brown requiring that the Director of Central Intelligence be appointed from civilian life underscores the concern with the permanency of the position of the Director of Central Intelligence and its freedom from departmental influences:

Rep. Judd: "Much of the testimony before us from people with a great deal of experience in this field was to the effect that the director should be a civilian. On the other hand, the committee did not think it ought to exclude a man who is now or at some later time may be in the military service from being appointed as director of the Central Intelligence Agency if he should be the best man for the job. It was agreed that he should not have the job unless he first becomes a civilian so that he will have no divided loyalties, will not be standing with one foot in the civilian trough and one foot in the military trough.

"Under the present language of this bill which the committee has drawn up, it was trying to accomplish the same thing I am after; but I do not believe it goes far enough. On page 8, line 10 is the following:

'If a commissioned officer of the armed services is appointed as director then-

(A) in the performance of his duties as director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the department of the Army, the department of the Navy, the department of the Air Force, or the armed services or any component thereof.'

"Now that sounds all right, but all of us, being human beings, surely know that if a one-star general is Director of Intelligence, and a two-star general or a three-star general talks to him, it is wholly unrealistic to imagine that they will not have an influence over him, despite the law.

"The man who had charge of our secret intelligence in Germany during the war was a civilian, Mr. Allen Dulles. He did such an extraordinary job that he was in contact with the top men in Hitler's secret service. Hitler had to execute his top five men because they were double-crossing him and playing ball with our people. Mr. Dulles told us that the man that takes this job ought to go into it as a man who goes into a monastery. He ought to take it as J. Edgar Hoover has taken the FBI job- make it his life's work. He certainly ought to be cut completely loose from any ties or responsibilities or connections with any other

**SECRET**

**SECRET**

branchy of the Government - civil or military - except the President and the National Security Council.

"All this amendment does is to provide that if a commissioned officer of the armed services is nominated by the President and confirmed by the Senate as Director of Intelligence, then he shall be ineligible to accept such appointment and take office until he has either resigned his commission or has been retired. The amendment provides further that he can at his own request be retired in order to accept this appointment, but his retirement rights are protected so that when he is through as Director of Intelligence he will have the same perquisites and retirement benefits as does a major general or rear admiral, upper half."

Rep. Harness: "Does the gentleman think it makes any difference whether he is retired or whether he has not retired?"

Rep. Judd: "Yes, I do."

Rep. Harness: "His sympathies and his heart will be with whatever branch of the service he was connected with."

Rep. Judd: "Certainly, his heart will always be with that branch, but his organic connection with it will be broken. In no sense will he be under its control or influence. Under the bill as it is written now he is always tempted to regard himself as what he still is, an officer of the armed forces. When he gets through as Director of Intelligence, or if he does not like the work, or does not do too good a job and is let out, well, never mind, he can always go back to active military service. To do that, he has to keep his bridges intact, his military fences in good repair. That is, his mind may not be single because his interest are divided. We do not want that."

"Under the amendment he will still have his retirement rights; his family will be protected, and yet he is retired and completely separated from the military service, free from any possible influence so that he does not need to consider what might happen if the time should come that he wanted or needed to go back into the military service."

Rep. Harness: "...the bill itself says: 'In the performance of his duties as Director he shall be subject to no supervision, control, restriction, or prohibition, military or otherwise.'"

Rep. Judd: "That is correct."

**SECRET**

SECRET

95

Rep. Harness: "Now, how much stronger can you make it? The only way you can change it is to say, 'You are going to have a civilian!'"

Rep. Judd: "The only way to make it stronger is to have the man resign or retire. I do not want to make him resign and lose the benefits accumulated during his military life. I want him to retire so he can go, as it were, into a monastery; but at the same time to preserve what he has earned as an officer in the armed services so he and his family have that security. It seems to me that this is the middle ground between the two extremes. It will give us civilian-directed intelligence, and at the same time will protect any commissioned officer, if one is appointed because he is thought to be the best man for the job. I hope the Committee will support the amendment."

Rep. Manasco (rising in opposition to the amendment): "...this section on central intelligence was given more study by our sub-committee and by the full committee than any other section of the bill. It was a most difficult section to write. All of us had the same objective in view, yet we had different ideas on it. I think personally that the compromise we reached adequately protects the position. Eventually I certainly trust that the head of this intelligence agency will be a civilian who is trained in the agency. It takes years to train that type of man..."

"We did our best to work out language here that would protect that position and keep from building up a so-called military hierarchy. A bill will be introduced soon after this legislation becomes law that will be referred to the Committee on Armed Services, where more study can be given to this most important subject. I sincerely trust that the amendment will be voted down."

Rep. Hoffman: "I note the gentleman's statement that the sub-committee did its best. Yes, we did our best, but we had a great deal of doubt when we finished whether we were right or not. Does the gentleman recall that?"

Rep. Manasco: "We did, and still have."

Rep. Hoffman: "We are not seeking to impose our judgment on the Members of the House."

Rep. Manasco: "That is right. I am just trying to show that we were all honest in our efforts to accomplish the same objective."

SECRET

SECRET

Rep. Holifield: "If the Members read this section carefully they will see that we did everything possible to divorce any military person from this position without taking away from him his perquisites, emoluments, pension expectations, and so forth, and also the rights of his family."

Rep. Busbey: "Mr. Chairman, I trust the committee will give the amendment offered by the gentleman from Minnesota (Rep. Judd) very careful consideration, because I think it is extremely important. There was considerable discussion in the committee, and by a very, very narrow vote it was decided not to include the amendment in the bill as reported by the committee.

"I call the attention of the committee to one thing that I believe the gentleman from Minnesota failed to emphasize due to the fact that he did not have enough time. This agency has been running less than a year and a half. We have had three directors of the Central Intelligence Agency in that time. No one is criticizing Admiral Hillenkoetter, the present director of the agency, but there is nothing in the world to prevent him from being removed next week or next month and replaced with someone from the War Department or the Navy Department. The main point in the amendment offered by the gentleman from Minnesota is permanency and the effort to work toward a civilian head who is not influenced by any department of our Military Establishments.

"It is true that you can refer to the language of the bill where it states he is relieved from this and he is relieved from that, but you cannot write into legislation that human element which enters into the Military Establishment of our country of a subordinate officer fearing that some day he might come under the direct command of a superior officer somewhere along the line..."

"The committee as a whole was agreed that it would be fine to have a civilian head of the Central Intelligence Agency. But they did not want to include (sic) a qualified military or naval man from occupying such a position. The amendment offered by the gentleman from Minnesota corrects this situation, and I hope the Committee will adopt it."

Rep. Hardy (D., Va.): "Under the present language of the bill, assuming that the admiral now in charge continues in his present position, he would still be in the Navy, would he not?"

Rep. Busbey: "He would absolutely be in the Navy, and he could be transferred at any time."

Rep. Hardy: "That is my point. He certainly could be transferred, and he could work it out with the Navy Department and get any other assignment that he wants."

SECRET

SECRET

Rep. Busbey: "Absolutely. He is still a naval officer."

Rep. Holifield: "I know the gentleman wants to be fair. Section (A), page 8, line 12, continuing to line 19, and then in section (B), expressly states that no superior officer of any of these departments shall have any control over the gentleman once he is appointed by and with the consent of the other body. He could not be shifted or given a tour of duty. There is absolutely no control over him. The gentleman knows that that language is in the act."

Rep. Busbey: "I am sorry, but the gentleman, I believe, did not understand my reference to human nature when it comes to military officers."

Rep. McCormack: "...I have a few observations to make on this very important question. I want no member to underestimate the importance of this. Whatever action the Committee of the Whole takes will be most agreeable to me because if we were not confronted with a very practical situation, in the subcommittee and in the full committee, I would have voted to provide for the appointment only of a civilian. I would have taken that action at the outset. But we are confronted with a very practical situation where the present director is an officer in the United States Navy with the rank of read admiral..."

"It seems to me if we are going to keep any language in here, the language contained in the bill is preferable to that proposed by the gentleman from Minnesota, Mr. Judd. I agree that whoever is appointed should be permanent. But what is permanency, unless it is appointment for life, with removal as provided for in the case of judges? We cannot give any man any assurance of permanency as far as an administrative position is concerned. The best we can do is as in the case of Mr. J. Edgar Hoover: A man by his personality, a man who impresses himself so much upon his fellowmen that permanency accrues by reason of the character of service that he renders. But J. Edgar Hoover has no tenure for life. He has earned it because of his unusual capacity."

Rep. Brown: "Mr. Chairman, I offer a substitute amendment which I have sent to the desk. (Substitute amendment follows:)

'On page 8, strike out lines 5 to 52, both inclusive; on page 9, strike out lines 1 through 18, both inclusive, and insert in lieu thereof the following: "head thereof. The Director shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of \$14,000 a year."

SECRET

**SECRET**

"Mr. Chairman, this amendment is a simplifying amendment. This amendment is offered for the purpose of settling the differences between the members of my committee, the Committee on Expenditures in the Executive Departments. It simply eliminates any quarrel or discussion about just how we take care of the Director of the Central Intelligence Agency if he should be a commissioned officer by providing very simply that the Director shall be a civilian. Then as a result you can strike out all of subsection (b) and on down to line 18 on page 9."

Rep. Judd: "I may say to the gentleman from Ohio and the Committee that I myself prefer his amendment and have from the beginning. I have one exactly like it which I intended to offer if the one I have offered were to be defeated. In it I was trying to go halfway between requiring that the man to be appointed be wholly a civilian, and giving a chance for men now in the military service to take the job as civilians, but without losing their retirement rights."

Rep. Brown: "I remind the gentleman from Minnesota that at times one comes to the place where one has to go all the way, where one cannot go halfway.

"In my mind the people are afraid of just one thing in connection with this bill and in connection with many other matters that have come before this Congress in recent months and recent years, and that is they are afraid of a military government, some sort of a super-dictatorship which might arise in this country. They are afraid, in this particular instance, over the possibility that there might be some sort of Gestapo set up in this country.

"I will agree and I will admit to you very frankly that it is entirely possible that you might have a military officer who would like to do that; but I know one thing, that if you require a civilian to be the head of this agency then you will not have any danger within the agency of military influence or military dictatorship. I do not believe the present occupant of that office would ever abuse it; I have the highest confidence in him, but I do not know who may succeed him. We have had three different military officers in charge of this central intelligence group or agency in the last 15 months, and we might have more. I say to you that we need a civilian of the type of J. Edgar Hoover in charge of an agency like this, and the appointment of a civilian would at least be a partial guaranty to the people of the United States that this agency is not going to be usurped by any branch of the armed services at any time..."

**SECRET**

"A resigned military officer is no longer under the control or direction of the military branch. A retired military officer is subject to recall in time of emergency, still has to take certain orders and instructions from the military branch of the Government. The gentleman from Minnesota (Mr. Judd) in his provision to permit a military officer to hold the post, set up certain safeguards. My amendment goes the whole way."<sup>130</sup>

Conference Committee

Congressman Judd's amendment as amended by the substitute, offered by Congressman Brown, requiring that the Director be a civilian when appointed, was adopted by the House. However, the committee of conference on the disagreeing votes of the two Houses on S. 758 recommended on 24 July 1947 the identical language which had been reported out by the House Committee on Expenditures in the Executive Departments:

"Sec. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. The Director shall receive compensation at the rate of \$14,000 a year.

(b) (1) If a commissioned officer of the armed services is appointed as Director then--

(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

SECRET

(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$14,000 exceeds the amount of his annual military pay and allowances.<sup>131</sup>

On the 25th of July, 1947, Chairman Hoffman, in recommending that the House agree to the Conference Report,<sup>132</sup> explained:

"You will recall that when the House passed on this legislation it amended the bill H. R. 4214, which the committee reported, with reference to the Central Intelligence Agency. The committee had written into the bill a provision that the head of that agency might be a civilian or a man from the armed services. The House amended the bill to provide that he shall be a civilian. During the debate the gentleman from Minnesota (Mr. Judd) offered an amendment which provided that if a man from the armed services was appointed he should be required to relinquish his rank and his authority in the Army..."

"...when we went into conference, the conferees for the other body flatly refused to accept that amendment. They had made certain concessions to which your attention will be called later on, but on that one they stood pat. They refused to accept the House amendment to the committee bill so your conferees compromised by accepting the language of the bill, 4214, as reported by your committee to the House, thus discarding the amendment written into the bill by the House which would have required that the head of that agency be a civilian. My own choice, and I think the choice of six of the seven members of the House subcommittee who were conferees, was that the head of that agency should be a civilian, but we could not get it, so we went along with that compromise. It seeks to divorce the head of the agency from the armed services if a man in the service is appointed."

SECRET

**SECRET**

Chairman Hoffman also went on to point out that the appointment of the Director of Central Intelligence was one of the "three more important points" (in the National Security Act of 1947) as it went to conference.

Congressman McCormack, a minority member of the conference committee, then took the floor to further explain:

"My friend the gentleman from Michigan has referred to the Director of Central Intelligence, and I think I might advise the House that that was the last question that we passed upon in conference. The Senate accepted the House provision of the bill as reported out of the House committee.

"You will remember when the bill was on the floor we frankly advised the Committee of the Whole at that time that the House Committee on Expenditures in the Executive Departments was strongly inclined toward, if not favorable to, a civilian director, but in view of the immediate situation that confronted us we put in the provision that in case a military man, a career officer of the Army or the Navy, was appointed that he would have to occupy what would be, in effect, a civilian position. We tried to protect him so that he would be free from a dual influence. I recognize, if one were to argue or say it did not completely eliminate a dual influence, that I could not challenge that statement. But we did the best we could from a human angle. We felt, since enabling legislation was going to come in later from another standing committee of the House-- and we know that; we were advised and saw a copy of the proposed bill--that that question, with the other questions that would arise in connection with this Central Intelligence Agency, should be left to the standing committee, and that our committee should try to meet the immediate problem."<sup>133</sup>

Summary

The language in the National Security Act of 1947 pertaining to the position of the Director of Central Intelligence was a compromise of viewpoints. Sub-section 102 (a) permitted the President full discretion in the exercise of his appointment power over the position and provided

**SECRET**

102

SECRET

an opportunity for Congressional impact on the position through the Senate confirmation proceedings. Subsection 102 (b) assured, in so far as possible, that any commissioned officer of the armed forces appointed to the position would be free from outside control. The deliberations leading to the enactment of these provisions made further contributions to the understanding of the position of the Director of Central Intelligence and the agency he would head by underscoring the non-political and non-policy nature of the tasks to be faced and the freedom from departmental influence that would be needed to assure their accomplishment.

SECRET

SECRET

103

IX. INTERNAL SECURITY

As early as 1944, a statement of principles formulated for the President maintained:

"That such a Service (Permanent United States Foreign Intelligence Service) should not operate clandestine intelligence within the United States.

"That it should have no policy functions and should not be identified with any law-enforcing agency either at home or abroad."<sup>134</sup>

The Presidential Directive of 22 January 1946 reinforced and implemented these principles by providing that:

"4. No police, law enforcement or internal security functions shall be exercised under this directive," and

"9. Nothing herein shall be construed to authorize the making of investigations inside the continental limits of the United States and its possessions, except as provided by law and Presidential directives."

Thus, the issue of internal security had received attention from the outset, and a clear and complete divorce between internal security functions and foreign intelligence functions had been explicitly implemented.

Testifying before the Senate Armed Services Committee and House Committee on Expenditures in Executive Departments, General Vandenberg pointed out that the President's directive:

"...includes an express provision that no police, law enforcement, or internal security functions shall be exercised. These provisions are important, for they draw the lines very sharply between the CIG and the FBI. In addition, the prohibition against police powers or internal security functions will assure that the Central Intelligence Group can never become a Gestapo or security police."<sup>135</sup>

SECRET

It is recalled, however, that the CIA section of the Presidential draft of the National Security Act of 1947 relied upon the legislative technique of establishing the functions of the DCI and CIA by reference to the 22 January 1946 Presidential Directive. Consequently, the specific language of proscription of the Presidential Directive did not appear in the CIA section. This lack of specificity together with the overall concern with the general subject of internal security led the House Committee to insert a provision in the Act "...prohibiting the Agency from having the power of subpoena and from exercising internal police powers, provisions not included in the original bill nor in S. 758."<sup>136</sup>

House Committee Executive Session

The House Committee considered the issue of internal security from two different aspects. The first related to simply prohibiting the Agency from engaging in internal security functions. The second concern related to the Agency's relationship with the Federal Bureau of Investigation in the interest of assuring the integrity of "domestic information" in the files of the Bureau. The issue of internal security from both of these aspects was developed before the House Committee as brought out in the following colloquies during executive session:

General Vandenberg (in replying to a question as to whether the Central Intelligence Group operated in foreign or domestic fields): "The National Intelligence Authority and the Central Intelligence Group have nothing whatsoever to do with anything domestic; so whenever we talk about the Central Intelligence Group or the NIA, it always means foreign intelligence, because we have nothing to do with domestic intelligence."

SECRET

105

Rep. Holifield: "That was my understanding, and I wanted it confirmed."<sup>137</sup>

General Vandenberg (later in commenting upon specific proscription language): "I very strongly advocate that it have no police, subpoena, law enforcement powers or internal-security functions."<sup>138</sup>

General Vandenberg (in replying to a question as to whether the Central Intelligence Agency might endanger the rights and privileges of the people of the United States): "No, sir; I do not think there is anything in the bill, since it is all foreign intelligence, that can possibly affect any of the privileges of the people of the United States."

Rep. Brown: "There are a lot of things that might affect the privileges and rights of the people of the United States that are foreign, you know."<sup>139</sup>

Rep. Hale Boggs (D., La.) (in obtaining Mr. Dulles' opinion): "As a private citizen, sir, and with your experience in this field, do you have any suggestions or do you think there is a necessity of putting in additional safeguards on this Central Intelligence Agency to protect us, as citizens of the United States, from what this thing might possibly be or develop into?"

Mr. Dulles: "I do not really believe so. You mean having a Gestapo established here in the United States?"

Rep. Boggs: "Will you clarify that question? May I just add this? Under this Act the authorities and functions of the Central Intelligence Agency would be based entirely upon an Executive Order issued by the President which could be changed, amended or revoked or anything else at any time.

"Now, the real question comes down to whether or not we should write into this Act the limitations and restrictions or define the functions and the activities in which they should engage, rather than depend upon a rather nebulous thing called an Executive Order, which is here today, but may be gone in three minutes, if the President decides to sign some other paper."

SECRET

SECRET

106

Mr. Dulles: "I would prefer to see the Congress, not in too much detail, however, define the nature and functions of the Central Intelligence Agency."<sup>140</sup>

.....

Rep. Wilson: "May I ask a question?

"With the provision in the bill that the activities of the Central Intelligence Bureau are confined out of the limits of the continental United States and in foreign fields, do you think that that would tend to confine their activities? Now could they raise a Gestapo in this country with that?"

Mr. Dulles: "I do not think there is any real danger of that. They would have to exercise certain functions in the United States. They would have their headquarters in the United States."

Rep. Wilson: "But their activities would not be here, would they?"

Mr. Dulles: "We have lived along with the F.B.I. pretty well, and I do not think it is a Gestapo; and if the F.B.I. has not become a Gestapo, it seems to me that there is extremely little likelihood of any danger here. The field is different. They have no police powers, and they should have no police powers. They cannot put their hands on a single individual."

Rep. Wilson: "My understanding is that this bill takes that right away from them, any police power or anything else within the confines of this country. Their operations are foreign, except to disseminate information, of course."

Mr. Dulles: "They cannot exercise police powers."

Rep. Wilson: "It is a secret situation. Let us not try to rule anybody."<sup>141</sup>

.....

Rep. Busbey (in asking certain questions relating to the FBI and the CIA): "I have one other point. They do not operate, as brought out, in the United States. For instance, here on a Saturday some foreign agent takes a plane out of Paris for LaGuardia Field. He lands there on Saturday. Well, any

SECRET

SECRET

107

agent of that kind has to come under the F.B.I. in this country. They drop him when he leaves France, and I do not think the present set-up is adequate to handle the situation. Then they follow him here in the United States for whatever period of time he has here, and then he probably would go to Mexico. Well, the F.B.I. drops him at the border and some other department of Central Intelligence picks him up down there in Mexico."

Mr. Dulles: "On the second point, I believe thoroughly there must be a close coordination between the new agency and the F.B.I., and I think that that has been working pretty well as far as I know.

"You are perfectly right that if the Intelligence Service picks up a dangerous agent and finds he is coming to the United States, that ought to go to the F.B.I. like that, and the F.B.I. ought to pick the fellow up or watch him when he arrives. Then, if he leaves this country, the F.B.I. ought to notify the Central Intelligence Agency that he has gone. That is a question of coordination, and I believe with the right kind of people, there is no reason why you cannot have close cooperation between this agency and the State Department and the G-2 and the ONI and the F.B.I.

"If you have that, you have something; and if you are going to have all of these agencies fighting among themselves, you are not going to get anywhere."<sup>142</sup>

.....

Rep. Manasco (in discussing the meaning of certain language): "Mr. Dulles, would not the language to 'evaluate or disseminate intelligence' cover almost anything in the world that they wanted to do?"

Mr. Dulles: "But, then, you get into the question of what is to be the relationship with the others."

Rep. Manasco: "So far as giving CIG authority to gather intelligence, that language could not be expanded on any by Congress."

Mr. Dulles: "I was looking over this. I do not know what the status of the other bill was."

Rep. Bender (R., Ohio): "It was introduced by the Chairman of the Committee because certain recommendations were made by individuals appearing before the Committee, I understand."

SECRET

**SECRET**

108

Rep. Manasco: "I think that language would include everything in the world."

Rep. Judd: "The question is whether you should have some limitations on it. You would have three things. You want the objective and, second, its power and, third, the powers it does not have."

Rep. Manasco: "Limit it to foreign countries, of course."

Mr. Dulles: "There is one little problem there. It is a very important section of the thing, the point I raised there. In New York and Chicago and all through the country where we have these business organizations and philanthropic and other organizations who send their people throughout the world. They collect a tremendous amount of information. There ought to be a way of collecting that in the United States, and I imagine that would not be excluded by any terms of your bill."

Rep. Manasco: "The fear of the committee as to collecting information on our own nationals, we do not want that done, but I do not think the committee has any objection to their going to any source of information that our nationals might have on foreign operations. Is that your understanding?"

Rep. Wadsworth: "Yes."

Rep. Manasco: "They could go to Chicago and talk to the presidents of some of the machinery firms that have offices all over the world."

Mr. Dulles: "That must be done."

Rep. Manasco: "I think we would have no objection to his getting on a plane in France and following a man around the United States."

Rep. Brown: "He might follow one or two of these boys that we brought over to see how we did the war work."

Rep. Judd: "As to Russian agents in this country, only the F.B.I. watches them."<sup>143</sup>

.....

Admiral Inglis (in a statement of overall views): "Domestic Security: It is my view that the activities of the Central Intelli-

**SECRET**

**SECRET**

109

gence Agency should be confined to the field of foreign intelligence and that it should have no police powers and no domestic security functions other than those connected with the security of its own establishment. It is imperative not only for the production of good intelligence, but for the defense of the American principle of Government, that there be no confusion between the pursuit of intelligence abroad and police powers at home. It is significant that the merging of these two fields is characteristic of totalitarian states. Domestic security and foreign intelligence were controlled by the same hands in the last years of the Nazi state; they have always been in the same hands in the Soviet Union.

"Parenthetically, what I have in mind is a distinction between the function of FBI and CIG. We do not want to encroach on the FBI and have no intention of doing that, and do not think it should be authorized at all. We do not want to build up a Gestapo or a super organization which will have potentially a sinister control of the lives of American people."

Rep. Hardy: "May I interrupt there? By that same token, then, you say that we should not permit the FBI to do any intelligence work in foreign countries?"

Admiral Inglis: "Not except in connection with their law enforcement work here in this country, and as a correlative to that, sir, I think I know what you have in mind. I think I can guess what you have in mind. In order to keep the two systems, the two spy networks, from getting in each other's hair, there must be either a very fine and efficient coordination with full information between the two organizations so where (sic), as in Washington, or else we must rely on one organization to serve the needs of the other abroad, and the second organization to serve the needs of the sister service at home."

Rep. Manasco: "Let me ask you at that point, suppose the FBI had been directed by the Attorney General to make an investigation of an opium ring operating from, we will say, China and San Francisco. The FBI investigators might run onto some information that would require one of their agents to go into China. You would not prohibit him from going there?"

Admiral Inglis: "No, sir, I would not. However, that should be coordinated so that the CIG agents over in China would not be crossing wires with this fellow when he arrives from the FBI."

**SECRET**

SECRET

110

Rep. Manasco: "The CIG agent would not necessarily be interested in the criminal actions that go on in the United States."

Admiral Inglis: "No, sir."

Rep. Manasco: "It would be purely security."

Admiral Inglis: "I admit without any argument that there are difficult problems that are going to come up in that connection, and my only solution that I have is men of good will to sit around the table and work them out."

Rep. Judd: "Of the two alternatives that you have delineated, you prefer the former, good coordination."

Admiral Inglis: "I prefer the latter. I prefer to leave the organized spy networks abroad to CIG and any information that they get which is pertinent to FBI's work at home in the law enforcement field, let it be turned over to FBI by CIG."

Rep. Judd: "By the same token, could FBI call on CIG for information regarding the source of opium that was coming from where we did not know, Iran or China or somewhere?"

Admiral Inglis: "Absolutely."

Rep. Hardy: "Granted that there is a possibility that operatives representing different agencies, operating in the same area might get in each others' hair, might they not get slightly different slants on a particular piece of information they are trying to secure so that put together it would make a better picture than the one-sided view that would be gotten from a single individual agency?"

Admiral Inglis: "That is conceivable, yes, sir. Of course, any information that we get is usually checked from two or more different sources. For example, we may get from the broadcast which the Russian Government is making to the Russian people an indication that some political move is afoot. We get the idea that they are preparing the Russian people psychologically for some important political move in the international field. We will want to have that deduction confirmed by some other source. This source is the Russian Government propaganda to its own people."

SECRET

SECRET

111

"Well, now, perhaps we will ask CIG to get some information, if they can, from their agents, bearing on that particular problem, to confirm or not what we have deduced from these Russian propaganda broadcasts."

Rep. Hardy: "The point I was trying to make, though, is if you have more than one agency securing information in a particular locality, are you not more likely to be able to get something you can rely on than you have a single one there, because it has got to be acknowledged that a lot of the information they get is deliberately planted for them."

Admiral Inglis: "That is right, sir. I do not think so, sir. That is an imponderable, and in a certain case what you say might work out that way."

Rep. Hardy: "It might cost more money; it would cost more money."

Admiral Inglis: "It would cost more money, and it would lead to more difficulty, I think, than it is worth, because as I say, these people would not know each other's identity, and they would be spending their time chasing each other, instead of going after the real antagonist, the real intelligence target."

Rep. Hardy: "You are presuming there that you would have direct employees over there, rather than that you might be working on local contacts, are you not?"

Admiral Inglis: "Well, whatever you are doing, you have to have some men over there who are operating this spy network, and if you have two of them, they are going to get their wires crossed, and your men are going to devote a good deal of their energies uselessly to either keeping out of the hair of the other operatives, or else unknowingly they are going to be chasing each other, and not producing the information that you want."

Rep. Hardy: "Thank you."

Rep. Chenoweth (R., Colo.): "Are you talking about the FBI yet?"

Admiral Inglis: "Not particularly; any two organized spy networks."

Rep. Chenoweth: "I thought you were making a distinction."

SECRET

SECRET

112

Admiral Inglis: "We started out that way, but I thought your question was more general."

Rep. Hardy: "It was."

Rep. Chenoweth: "You could not refer to the FBI as a spy organization; they are a law enforcement agency."

Admiral Inglis: "Yes, sir."

Rep. Chenoweth: "They have an entirely different function, no conflict whatever."

Admiral Inglis: "Not in function."

Rep. Chenoweth: "They should not be in each others' hair at any time."

Admiral Inglis: "They might be in the field of counter-espionage because that is also a function of FBI."

Rep. Chenoweth: "So far as the foreign activity is concerned, there is no excuse for them operating in foreign countries that I can see."

Admiral Inglis: "No, sir, I do not mean that."

Rep. Chenoweth: "That is your contention."

Admiral Inglis: "That is my contention, but that has not been the case."

Rep. Chenoweth: "I was surprised when I learned today that they were operating in foreign countries. I did not know that. I thought they confined their activities exclusively to the United States."

Admiral Inglis: "Their responsibility is confined to the United States, but in meeting that responsibility, they do have interests abroad. It is a question of whether they are going to send their own people abroad to do that, or whether they are going to let CIG do that."<sup>144</sup>

SECRET

House Committee Open Hearings

The House Committee on Expenditures' concern with the internal security was also brought out in public hearings:

Rep. Brown (in questioning the Secretary of the Navy): "This Chief of the Central Intelligence Agency, the Director, should he decide he wants to go into my income tax reports, I presume he could do so, could he not?"

Secretary Forrestal: "I do not assume he could.

"I think he would have a very short life--I am not referring to you, Mr. Brown, but I think he would have a very short life."

Rep. Brown: "Well, he probably would, if he sent (sic) into mine, but I was wondering how far this goes.

"This is a very great departure from what we have done in the past, in America.

"Perhaps we have not been as good as we should have been, and I will agree with that, either in our military or foreign intelligence, and I am very much interested in seeing the United States have as fine a foreign military and naval intelligence as they can possibly have, but I am not interested in setting up here in the United States any particular central policy agency under any President, and I do not care what his name may be, and just allow him to have a gestapo of his own if he wants to have it.

"Every now and then you get a man that comes up in power and that has an imperialistic idea."

Secretary Forrestal: "The purposes of the Central Intelligence Authority are limited definitely to purposes outside of this country, except the collation of information gathered by other Government agencies.

"Regarding domestic operations, the Federal Bureau of Investigation is working at all times in collaboration with General Vandenberg. He relies upon them for domestic activities."

Rep. Brown: "Is that stated in the law?"

Secretary Forrestal: "It is not; no, sir."

Rep. Brown: "That could be changed in 2 minutes, and have the action within the United States instead of without; is that correct?"

Secretary Forrestal: "He could only do so with the President's direct and specific approval."

SECRET

114

Rep. Brown: "I know, but even then it could be done without violation of law by the President or somebody who might write the order for him and get his approval, and without the knowledge and consent or direction of the Congress.

"Do you think it would be wise for the Congress of the United States to at least fix some limitations on what the power of this individual might be, or what could be done, or what should be done, and all these safeguards and rights of the citizen may be protected?"

Secretary Forrestal: "I think it is profitable to explore what you need for protection, and I am in complete sympathy about the dangers of sliding into abrogation of powers by the Congress.

"On the other hand, if you had limited Mr. Hoover, for example, and the Federal Bureau of Investigation, to operations only domestically, he might have been very greatly hampered in this last war."

Rep. Brown: "I am not talking about domestically, and internationally alone, but I am talking about how far he can go in his studies and investigations, especially of individuals and citizens, and for what purposes he can conduct his investigation.

"Now, the Federal Bureau of Investigation is under certain restraints by law."

Secretary Forrestal: "That is correct."

Rep. Brown: "The Secret Service has certain duties and responsibilities written out, word by word, in the statutes."

Secretary Forrestal: "It is a problem for the Congress and the Executive Departments, Mr. Brown. As I say, exploration certainly could be profitable.

"However, there is not the slightest question, and I can assure you from my own experience and knowledge that you need someone in this Government who is going to be charged with that aspect of national security."<sup>145</sup>

Admiral Sherman (on answering a question on greater specificity on the bill): "Well, sir; in my opinion, that is simply a problem in the convenience and handling of legislation. I would like to comment that in the existing directive to the Central Intelligence Group, their appears this provision, 'no police, law enforcement,

SECRET

SECRET

115

or internal security functions shall be exercised under this directive,' and I felt that that was fairly concise about the matter that has been discussed here."

Rep. Harness: "Of course, that can be changed, can it not?"

Admiral Sherman: "I would not think so under this legislation; but I am not a lawyer. If there is concern about it, it seems to me that it is something that could be rectified with very few words."

Rep. Harness: "Well, did you have anything to do with the drafting of this bill, Admiral?"

Admiral Sherman: "Yes, sir; I had a great deal to do with it..."<sup>146</sup>

.....

Dr. Bush (in answering a question concerning the danger of the Central Intelligence Agency becoming a Gestapo): "I think there is no danger of that. The bill provides clearly that it is concerned with intelligence on internal affairs, and I think this is a safeguard against its becoming an empire.

"We already have, of course, the FBI in this country, concerned with internal matters, and the collection of intelligence in connection with law enforcement internally. We have had that for a good many years. I think there are very few citizens who believe this arrangement will get beyond control so that it will be an improper affair."<sup>147</sup>

#### House Floor

In line with the House Committee's overall desire for specificity in provisions relating to the Central Intelligence Agency, H. R. 4214, as reported out, contained the provision "...that the Agency shall have no police subpoena, law-enforcement powers, or internal-security functions."<sup>148</sup>

Thus, Congressman Holifield could explain during the floor discussion:

SECRET

**SECRET**

116

"I am very zealous, as I have said time and again, of the civil liberties of our people, but I believe this agency has had written around it, proper protections against the invasion of the police and the subpoena powers of a domestic police force. I want to impress upon the minds of the Members that the work of this Central Intelligence Agency, as far as the collection of evidence is concerned, is strictly in the field of secret foreign intelligence, what is known as clandestine intelligence. They have no right in the domestic field to collect information of a clandestine military nature. They can evaluate it; yes."<sup>149</sup>

The Federal Bureau of Investigation

That aspect of the internal security issue relating to access by the Central Intelligence Agency to information in the possession of the Federal Bureau of Investigation was not so easily resolved.

Under paragraph 5 of the Presidential Directive of 22 January 1946,<sup>150</sup> the intelligence received by the Departments of State, War and Navy's intelligence agencies was to be made "freely available" to the Director of Central Intelligence for correlation, evaluation, or dissemination.

Further, the operations of these three intelligence agencies were to be opened to the inspection of the Director of Central Intelligence in connection with his planning for coordination function,<sup>151</sup> to the extent approved by the National Intelligence Authority. These provisions were carried over into H. R. 4214 as reported in committee:

"Sec. 105. (e) To the extent recommended by the National Security Council and approved by the President, such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination."<sup>152</sup>

**SECRET**

**SECRET**

117

Whereas the 22 January 1946 Presidential Directive by its terms applied solely to the intelligence agencies of the Departments of State, War, and Navy, the language reported out by the committee applied to all Federal departments and agencies. When the matter was opened to amendment during the floor discussion, Congressman Judd pointed out that this would authorize the Agency to inspect the operations of the FBI and he offered an amendment to eliminate this possibility. This amendment was approved by the House and its thrust was incorporated in the Act as it emerged from conference. Excerpts of the House floor discussion on the amendment follow:

Rep. Judd: "Mr. Chairman, to reassure the committee let me say that this is the only other amendment I shall offer, and I present it now because it also has to do with the Central Intelligence Agency. If the members of the committee will look on page 11 of the bill, line 16, subsection (e), and follow along with me, I think we can make it clear quickly. The subsection reads:

'(e) To the extent recommended by the National Security Council and approved by the President, such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection of the Director of Central Intelligence.'

"The first half of the amendment deals with that. It strikes out the words in line 18, 'and other agencies.' Why? Primarily to protect the FBI. I agree that all intelligence relating to the national security which the FBI, the Atomic Energy Commission, and other agencies with secret intelligence activities develop should be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination. The second half of my amendment provides that their intelligence must be made available to the Director of Central Intelligence. But under the amendment he would not have the right to go down into and inspect the intelligence operations of agencies like the FBI as he would of the departments. I do not believe we ought to give this Director of Central Intelligence power to reach into the operations of J. Edgar Hoover and the FBI, which are in the domestic field. Under the language as it now stands he can do that.

**SECRET**

**SECRET**

118

"The Director of Central Intelligence is supposed to deal with all possible threats to the country from abroad, through intelligence activities abroad. But without this amendment he will have not only the results of the FBI's intelligence activities here at home, but also the power to inspect its operations. I do not believe that if we had realized the full import of this language when we were studying it in committee we would have allowed it to stand as it is. Surely we want to protect the Atomic Energy Commission and the FBI from the Director of Central Intelligence coming in and finding out who their agents are, what and where their nets are, how they operate, and thus destroy their effectiveness."

Rep. Busbey: "Under the present language of the bill, is it not the gentleman's judgment that the Central Intelligence Agency has the right, the power, and the authority to go down and inspect any records of the FBI which deal with internal security, whereas the Central Intelligence Agency deals only with external security?"

Rep. Judd: "Yes; not only inspect its records but also inspect its operations, and that includes its activities and its agents. We do not for a moment want that to happen. I hope the members of the committee will accept this amendment."

Rep. Manasco: "If you do not give the Director of Central Intelligence authority to collect intelligence in this country and disseminate it to the War Department and Navy Department, the Air Force, and the State Department, why not strike the entire section out?"

Rep. Judd: "We do under this amendment give him that power. We say, 'Such intelligence as relates to the national security and is possessed by such departments, and other agencies of the Government'--that includes the FBI and every other agency--'shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination.' "

Rep. Manasco: "If the FBI has intelligence that might be of benefit to the War Department or State Department, certainly that should be made available."

Rep. Judd: "Under this amendment it will be made available. I do not strike that part of the section out. All the intelligence the FBI has and that the Atomic Energy Commission has must be available to the Director of Central Intelligence if it relates to the national security. But the Director of Central Intelligence

**SECRET**

SECRET

119

will not have the right to inspect their operations, which is quite a different thing. I do not think we ought to give the Director of Central Intelligence the right to go into the operations of FBI."

Rep. Stefan (R., Neb.): "In setting up the Central Intelligence group it was agreed that the FBI was a part of the organization. Now, what would the gentleman's amendment do?"

Rep. Judd: "Does the gentleman state that the FBI is a part of the Central Intelligence Agency?"

Rep. Stefan: "Certainly. As I understand it, as it was explained to our committee, the FBI information would be part of the information secured by the CIG."

Rep. Judd: "That is right. The FBI information would be available to the Director of Central Intelligence, but under my amendment the FBI operations would not be part of the Central Intelligence as they would be under the present language of the bill."

Rep. Stefan: "But the CIG could draw any information from the FBI it wanted?"

Rep. Judd: "Yes, it would be made available, if relating to the national security."

Rep. Stefan: "But what would the gentleman's amendment do other than what this is doing?"

Rep. Judd: "It would merely withdraw the right of the Director of Central Intelligence to inspect the intelligence operations of the FBI. It would still make available to him the intelligence developed by FBI."

Rep. Stefan: "Does the gentleman feel that this section on Central Intelligence makes it possible for the Director of the CIG to go into Mr. Hoover's office?"

Rep. Judd: "That is right."

Rep. Stefan: "And supersede his direction of FBI operations?"

Rep. Judd: "Well, it says plainly that 'Such intelligence operations of the departments and other agencies of the Government as relate to the national security shall be open to the inspection

SECRET

**SECRET**

120

of the Director of Central Intelligence.' 'Other agencies' certainly includes the FBI.

Rep. Stefan: "And the gentleman objects to the inspection of it, does he?"

Rep. Judd: "The inspection of its operations; yes."

Rep. Stefan: "I agree with the gentleman."

Rep. Judd: "Then the gentleman will support my amendment."

Rep. Stefan: "I certainly shall."

Rep. Judd: "Under it, the information is all available, but the operations are not open to inspection."

Rep. Johnson (R., Calif.): "I want to get this straight. If the FBI has information about fifth-column activities and subversive information affecting the national defense, would that be open to the Central Intelligence Agency?"

Rep. Judd: "Yes. It must be made available under this subsection, but the Director of Central Intelligence under my amendment could not go in and inspect J. Edgar Hoover's activities and work. Central Intelligence is supposed to operate only abroad, but it will have available all the pertinent domestic information gathered by the FBI. It should not be given power to inspect the operations of the FBI."

Rep. Holifield: "The gentleman realizes that the limitations in the first lines would limit his ability to go in and inspect any operation."

Rep. Judd: "That is true."

Rep. Holifield: "I do not think it is necessary for him to inspect the operations in order to set up his own intelligence unit in the way that he wants to, and I point out that the National Security Council is composed of the Secretaries of State, of National Defense, of the Army, the Navy, and the Air Force, and the National Security Resources Board, and the Central Intelligence Agency, so it seems to me that the protection of the National Security Council is a check and the President is a check. I hardly think that the man could exceed his authority."

**SECRET**

SECRET

121

Rep. Judd: "Well, I believe the FBI operations should be protected beyond question. It is too valuable an agency to be tampered with."

Rep. Thomas (R., N.J.): "I want to say to the gentleman from Minnesota that I am wholeheartedly in favor of his amendment. If we open the doors to the Central Intelligence Agency to go in and inspect the operations of the FBI, you are starting to do the thing that is going to be the end of the FBI in time, because you will open it to this agency and then you will open it to somebody else. I think we will make a great mistake unless we accept the amendment offered by the gentleman from Minnesota."

Rep. Judd: "I thank the gentleman. I think we will all agree he knows what he is talking about."

Rep. Busbey: "In reference to the gentleman from California (Mr. Holifield), when he states that we can assume that this National Security Agency will do this and do that, I just wish to remind the membership that the trouble in the past with legislation has been that we have not taken the time to spell out the little details. It is these assumptions we have had that have gotten us into trouble. I think it is very important that the gentleman's amendment be adopted."

Rep. Andresen (R., Minn.): "Is there anything in here that permits the FBI to inspect the personnel of the Central Intelligence?"

Rep. Judd: "No; there is not."

Rep. Andresen: "I understand that some of the men in Central Intelligence at the present time are certain foreign-born persons who might need some inspection, and they hold some very important positions with Central Intelligence."

Rep. Judd: "I have had no information on that one way or the other. I must assume the Director of Central Intelligence is going to exercise utmost care in choosing his personnel. I hope this amendment will be adopted because I cannot see how it can hurt the Central Intelligence Agency in the slightest and it certainly will protect the intelligence operations of FBI and the Atomic Energy Commission."<sup>153</sup>

SECRET

SECRET

122

Conferees

The language adopted by the House and Senate conferees in connection with the intelligence of other departments and agencies of the Government provided:

"Sec. 102. (e) To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter provided, shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination: Provided, however, That upon the written request of the Director of Central Intelligence, the Director of the Federal Bureau of Investigation shall make available to the Director of Central Intelligence such information for correlation, evaluation, and dissemination as may be essential to the national security."<sup>154</sup>

Thus, the inspection role of the Director of Central Intelligence was identified with "intelligence" as contrasted with "intelligence operations." The correlation, evaluation, and dissemination functions were preserved by directing that intelligence relating to national security be made available to the Director of Central Intelligence.

Section 102 (e) applied to all departments and agencies of the Government. However, in the case of the FBI, institutional disengagement as well as functional disengagement between the Central Intelligence Agency and the domestic intelligence of the FBI was achieved.

SECRET

SECRET

123

Summary

A clear and complete divorce from internal security functions had been a constant principle for a Government-wide foreign intelligence service since its early conceptualization.

Clearly, however, a Government-wide foreign intelligence service had a legitimate interest in using domestic sources for obtaining intelligence information originating outside of the United States. This was fully appreciated by the Congress in establishing the cleavage between the intelligence functions of the Central Intelligence Agency and the domestic functions of the other departments and agencies.

SECRET

CHAPTER X. NATIONAL SECURITY ACT OF 1947

Public Law 253, 80th Congress, the National Security Act of 1947, was approved by the Congress on the 25th of July 1947 and was signed by President Truman the following day. The provisions relating to the Central Intelligence Agency became effective 18 July 1947, the day after Mr. James Forrestal took the oath of office as the first Secretary of Defense.

Section 102 of the National Security Act of 1947 established the position of the Director of Central Intelligence and the Central Intelligence Agency. It also established functions and executive branch relationships for central intelligence. Congress provided the Agency with a definitive charter which did not unduly circumscribe, curtail, or interfere with functions of other agencies and departments of Government.

During the almost five months of Congressional deliberation a significant number of issues concerning CIA were resolved, this despite the fact that CIA was only one segment of a highly complicated and controversial legislative proposal.

Controversy surrounding the Agency which was prompted primarily by a misunderstanding of the functions to be performed was resolved for the most part to the satisfaction of all parties concerned. On a more general level the legislative history surrounding CIA bespeaks of overwhelming support for institutionalizing foreign intelligence to serve the needs of the President and his policy advisors. In so far as it is possible

125

**SECRET**

to achieve an executive objective through legislation, Congress provided authority and responsibility for both the comprehensive and effective functioning of central intelligence, in all its elements.

While an enabling act setting forth administrative authorities for the Central Intelligence Agency would become the next pressing order of business, central intelligence as an integral function of the Executive Branch of Government had been statutorily prescribed. This would permit those charged with the responsibility for administering the Agency to get on with the demanding job of building an organization equal to the important national responsibility levied upon it.

**SECRET**

FOOTNOTES

CHAPTER I. *Preliminary*

1. For a brief summary of the authorities of Central Intelligence, See Kirkpatrick, "Origins, Missions, and Structure of CIA" in Studies In Intelligence, Volume II, No. 1, Winter 1958.
2. Article 1, Section 8. [REDACTED]
3. Story Commentaries on the Constitution, II, Sec. 1185, 4th Ed., 1873. *[Note: Chapter 1185]*
4. 53 Stat. 561 ( ) year.
5. Reorganization Plan No. 1, 1 July 1939, 4 F.R. 2727, 53 Stat. 1423.
6. Executive Order 8248, 8 September 1939, F.R.
7. Administrative Order of the President, 25 May 1940.
8. Administrative Order of the President, 7 January 1941. [REDACTED]
9. Presidential Order of 11 July 1941, 6 Fed. Reg. 3422. [REDACTED]
10. Actually the President had earlier, on 25 June 1941, drawn a military order as Commander in Chief, designating this office as the Coordinator of Strategic Information to include the performance of duties of a "military character" for the President. The preeminence of the President's regular military advisors for military matters was corrected in the 11 July order.
11. Presidential letter dated 23 July 1941.
12. House Committee on the Judiciary, Report No. 1507, 15 Dec. 1941.
13. Military Order, 16 Fed. Reg. 3422. For establishment of Joint Chiefs of Staff and description of its functions and duties. See Federal Records of World War II (1951), II, pp. 6-9. National Activities and Records Service, and Ray S. Cline, Washington Command Post: The Operations Division (United States Army in World War II series), pp. 98-103.
14. Executive Order 9182.

ILLEGIB

ILLEGIB

ILLEGIB

15. Executive Order 9001, 27 December 1941, Fed. Reg. Doc. 41-9798, and Executive Order 9241, 1 September 1942, 6 Fed. Reg. 6787.
16. 56 Stat. 704.
17. 57 Stat. 526.
18. National War Agencies Appropriation Act of 1945 (58 Stat. 533), and National War Agencies Appropriation Act of 1946 (59 Stat. 483). Also see OGC regarding internal requirements to assure the full satisfaction of this high trust.
19. Need Oct 44 Donovan Memo to Pres.
20. Memo for the President from William J. Donovan, Director, OSS, dated 18 November 1944, with attached directive "Substantive Authority Necessary in Establishment of a Central Intelligence Service."
21. Ibid. 20.
22. Ibid. 20.
23. Report by the Joint Strategic Survey Committee, "Proposed Establishment of a Central Intelligence Service." (24 January 1945).
24. J. C. S. 1181/5 (19 September 1945).
25. Ibid. 23. (Ibid. 24?)
26. Letter from Director, OSS, to Director, BOB, dated 25 August 1945.
27. Including an extensive "Report on Intelligence Matters" from Brig. Gen. John Magruder, Director, Strategic Services U (26 October 1945).
28. Memorandum for the Secretary of War, "Preliminary Report of Committee Appointed to Study War Department Intelligence Activities" (3 November 1945). ILLEGIB
29. Letter from President to Secretary of State, dated 20 September 1945. ILLEGIB
30. Memorandum for the Secretary of War, Secretary of Navy, from Secretary of State, Subject: National Intelligence Authority.
31. Letter from Secretary of State to Secretaries of War and Navy, National Intelligence Authority, 10 December 1945. ILLEGIB

32. "Establishment of National Intelligence Authority," Attachment to 10 December 1945 memorandum from Secretary of State to Secretaries of War and Navy, Subject: National Intelligence Authority.
33. Letter to President from Secretaries of State, War, and Navy, dated 7 January 1946.
34. Memo from Special Assistant for the Secretary of State to the Secretaries of War and Navy, NIA, 15 December 1945.
35. Draft "Directive Regarding the Coordination of Intelligence Activities," Paragraph 8. *b. (1) (d)* ?
36. S. B. L. Penrose, Jr., Collection of Background Papers on Development of CIA, dated 15 May 1947.
37. Memorandum to General Magruder from Commander Donovan, General Counsel, OSS (23 January 1946).
38. Letter to the President from Secretaries of State, War, and Navy, dated 7 January 1946.

ILLEGIB

CHAPTER II.

39. Memo for the President from William J. Donovan, Director, OSS, dated 18 November 1944, with attached directive, "Substantive Authority Necessary in Establishment of the Central Intelligence Service."
40. Ibid. 38
41. Memo for Clark M. Clifford, dated 2 December 1946, Subject: Proposed Enabling Legislation for the Establishment of a CIA.
42. Authority to hire personnel directly and independent budget were needed most. Fortunately BOB, GAO, State, War, Navy, and Treasury recognized the problems and made arrangements which enable CIG to operate. See 1 OGC 117 regards working fund for DCI.
43. Letter from President Truman to Senator Thomas Walsh, Representatives May and Vinson. 15 June 1946.
44. This section was deleted from final draft. CIG had urged that phrase "subject to existing law" be eliminated as it adds nothing and many of the functions and authorities of this Agency are excepted from existing law." (Letter to Charles Murphy, 27 January 1947.) While Admiral Leahy, the President's personal representative to the NIA, agreed, Mr. Murphy suggested that the entire clause be omitted and CIG agreed. (Page 4, Proposed legislation for CIG, Chief, Legislative Liaison Division Memorandum for the Record.)
45. Memorandum for the Record, Proposed Legislation for CIG, Chief, Legislative Liaison Division, CIG.
46. The salary was lowered from \$15,000 to \$14,000 by the White House drafters on basis that incumbent would be a military or naval officer whose salary should not be greatly in excess of that of Chief of Staff or Chief of Naval Operations, and it was established at the same level as that of Director, Military Applications of AEC. (Proposed CIG Legislation Memorandum for the Record, Chief, Legislative Liaison Division.)

ILLEGIB

47. Proposed CIG Legislation Memorandum for the Record, Chief, Legislative Liaison Division, undated.

48. Congressional Record, p. 9606, 19 July 1947.

CHAPTER III.

49. House Report 2734, 79th Congress, Second Session (1946).
50. Senate Report 1327, 79th Congress, Second Session.
51. New York Times, 19 October 1945, p. 3, col. 1.
52. See Page 30 supra for the wording of the CIA section. Title II was changed to Title I since it provides "...on the highest level, under the immediate supervision of the President, the establishment of integrated policies and procedures for the departments, agencies and functions of the Government relating to National Security..." (S. Report 239, 80th Congress, First Session). Further, Coordination for National Security "...was outside, separate and apart, from the Defense Establishment (and) in an effort to bring a realization to the members of the Committee that we were seeking a national security organization and not a national military establishment, I was able to have the Committee amend the bill...thus at least placing first things first." (Senator Robertson, Congressional Record, p. 8475, 7 July.)
53. The Legislative Reorganization Plan of 1946 combined the Committee for Naval Affairs and the Committee for Military Affairs.
54. On 1 May 1947, the DCI, General Hoyt Vandenberg, was succeeded by Admiral Roscoe Hillenkoetter.
55. Congressional Record, 19 July 1947, p. 9605.

54(a)  
54(b)  
54(c)

CHAPTER IV.

56. Senator Thomas had worked on the Common Defense Act of 1946 which was reported out of the Military Affairs Committee but which died in the Naval Affairs Committee.
57. Congressional Record, 14 March 1947, p. 2139.
58. Testimony before Senate Armed Services Committee, 1 and 2 April 1947.
59. Testimony before Senate Armed Services Committee, 29 April 1947.
60. Hearings before House Committee on Expenditures in the Executive Departments on H. R. 2139, 13 May 1947.
61. Ibid., 15 May 1947.
62. Secretary Forrestal was to be appointed the first Secretary of Defense.
63. Ibid., 10 June 1947.
64. Ibid., 26 June 1947.
65. Senate Report 239, p. 2, 80th Congress, First Session, 5 June 1947.
66. House Report 961, p. 3, 80th Congress, First Session, 16 July 1947.
67. Congressional Record, 7 July 1947, p. 8466.
68. Congressional Record, 9 July 1947, p. 8677.
69. Congressional Record, 9 July 1947, p. 8671.
70. Congressional Record, 19 July 1947, p. 9565.
71. Congressional Record, 19 July 1947, p. 9569.
72. Congressional Record, 19 July 1947, p. 9573.

73. Congressional Record, 19 July 1947, p. 9579.
74. Congressional Record, 19 July 1947, p. 9581.
75. Congressional Record, 19 July 1947, p. 9582.
76. Congressional Record, 19 July 1947, p. 9590.
77. Congressional Record, 19 July 1947, p. 9576.
78. Congressional Record, 19 July 1947, p.
79. Congressional Record, 19 July 1947, p.

CHAPTER V.

80. Page 20 supra.
81. Page 31 supra.
82. Page 20 supra.
83. Hearings before House Committee on Expenditures in the Executive Departments on H. R. 2139, 24 June 1947.
84. Ibid., 26 June 1947.
85. Hearings before Senate Armed Services Committee on S. 758, p. 526.
86. Ibid., p. 669.
87. Ibid., p. 527.
88. Congressional Record, 9 July 1947, p. 8688.
89. Ibid.
90. Hearings before Senate Armed Services Committee on S. 758, pp. 173-176.
91. Ibid., p. 497.
92. House Report 961, 80th Congress, First Session.
93. Congressional Record, 19 July 1947, p. \_\_\_\_\_
94. Page 29 supra.
95. Hearings before House Committee on Expenditures in the Executive Departments on H. R. 2139 (1947).
96. Public Papers of the Presidents of the United States, John F. Kennedy, 1961, Item 485. Public Papers of the Presidents of the United States, Lyndon B. Johnson, 1965, Item 209 (Note). Letter from the President of the United States to the Director of Central Intelligence, dated September 24, 1965.
97. P. L. 80-253, Section 102(a). D&el.
98. Ibid., Section 102(d).

Chapter VI.

99. P. 20 supra.

100. P. 38 supra.

101. Hearings before Senate Committee on Armed Services on S. 758, 80th Cong., 1st Sess., p. 176 (1947).

102. Congressional Record, 7 July 1947, p. 8486.

103. H. Rep. 961, 80th Cong., 1st Sess., p. 3 (1947).

104. Hearings before House Committee on Expenditures in the Executive Departments on H.R. 2139, 80th Cong., 1st Sess., p. 120 (1947).  
*Executive Session?*

105. Ibid., p. 125.

106. Ibid., p. 170.

107. Statement of Lt. Gen. Vandenberg, Director of Central Intelligence, before the House Committee on Expenditures in the Executive Departments (1 May 1947), and Hearings before Senate Armed Services Committee on S. 758, 80th Cong., 1st Sess.

108. Hearings before Senate Committee on Armed Services on S. 758, 80th Cong., 1st Sess., p. 496 (1947).

109. P. 67 supra.

Chapter VII.

110. Footnote 49 supra.
111. P. 34 supra.
112. Hearings before the House Committee on Expenditures in the Executive Departments on H.R. 2319, Unpublished classified transcript,  
27 June 1947.
113. Penrose Papers. *Darley*.

Chapter VIII.

114. P. 30 supra.
115. Hearings before House Committee on Expenditures in the Executive Departments on H.R. 2139, 80th Cong., 1st Sess., p. 439 (1947).
116. Congressional Record, 19 July 1947, p. 9604.
117. Congressional Record, 25 July 1947, p. 10271.
118. Fixed term appointment of up to 10 years had been suggested.
119. Rep. Robert A. Harness (R., Ind.).
120. 10 U.S.C. 576; R.S. sec. 1222; 14 Op. Atty. Gen. 200.
121. As reported out of Senate Committee, the salary of the position was reduced from \$14,000 to \$12,000 per annum in line with an across the board reduction for certain positions under the National Security Act of 1947.
122. Congressional Record, 7 July 1947, p. 8458. Admiral Sherman suggested before the Senate Committee that addition of the phrase "from military or civilian life" or vice versa would clarify the intent that a civilian could be appointed Director.
123. P. 26 supra.
124. S. Rep. 239, 80th Cong., 1st Sess., p. 10 (1947).
125. Congressional Record, 7 July 1947, p. 8486.
126. Congressional Record, 9 July 1947, p. 8664.
127. Hearings before the Committee on Expenditures in the Executive Departments on H.R. 2319, 80th Cong., 1st Sess., Unpublished classified transcript, 27 June 1947.
128. The House Committee on Expenditures in the Executive Departments set a salary of \$14,000 for the DCI, \$2,000 more than approved in S. 758. The salary of the Chairman of the National Security Resources Board was set at the same level. (See footnote 46 supra.) The salaries of the Service Secretaries were set at \$14,500. Cabinet members at the time received \$15,000 per annum.

129. Congressional Record, 19 July 1947, p. 9576.
130. Congressional Record, 19 July 1947, pp. 9605 - 9607.
131. H. Rep. 1051, 80th Cong., 1st Sess., National Security Act of 1947, pp. 3 - 4.
132. Congressional Record, 19 July 1947, p. 10271.
133. Congressional Record, 19 July 1947, p. 10272.

Chapter IX.

134. P. 12 supra.
135. Statement of Lt. Gen. Vandenberg before Senate Committee on Armed Services. Hearings in the 80th Cong., 1st Sess., on S. 758, p. 497 (1947).
136. Additional views of Chairman Hoffman on H.R. 961, 80th Cong., 1st Sess., p. 11 (1947).
137. Hearings before Committee on Expenditures in the Executive Departments, H.R. 2319, 27 June 1947, p. 15.
138. Ibid., p. 28.
139. Ibid., p. 32.
140. Ibid., pp. 57 - 58.
141. Ibid., pp. 59 - 60.
142. Ibid., pp. 61 - 62.
143. Ibid., pp. 65 - 66.
144. Ibid., pp. 149 - 154.
145. Hearings before the Committee on Expenditures in Executive Departments in the House, 80th Cong., 1st Sess., H.R. 2319, National Security Act of 1947, pp. 127 - 128 (1947).
146. Ibid., p. 172.
147. Ibid., p. 559.
148. H.R. 4214, Sec. 105 (d) (3).
149. Congressional Record, 19 July 1947, p. 9591.
150. P. 21 supra.
151. Presidential Directive, 22 January 1946, para. 3B (see p. 20 supra).